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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1938

No. 448

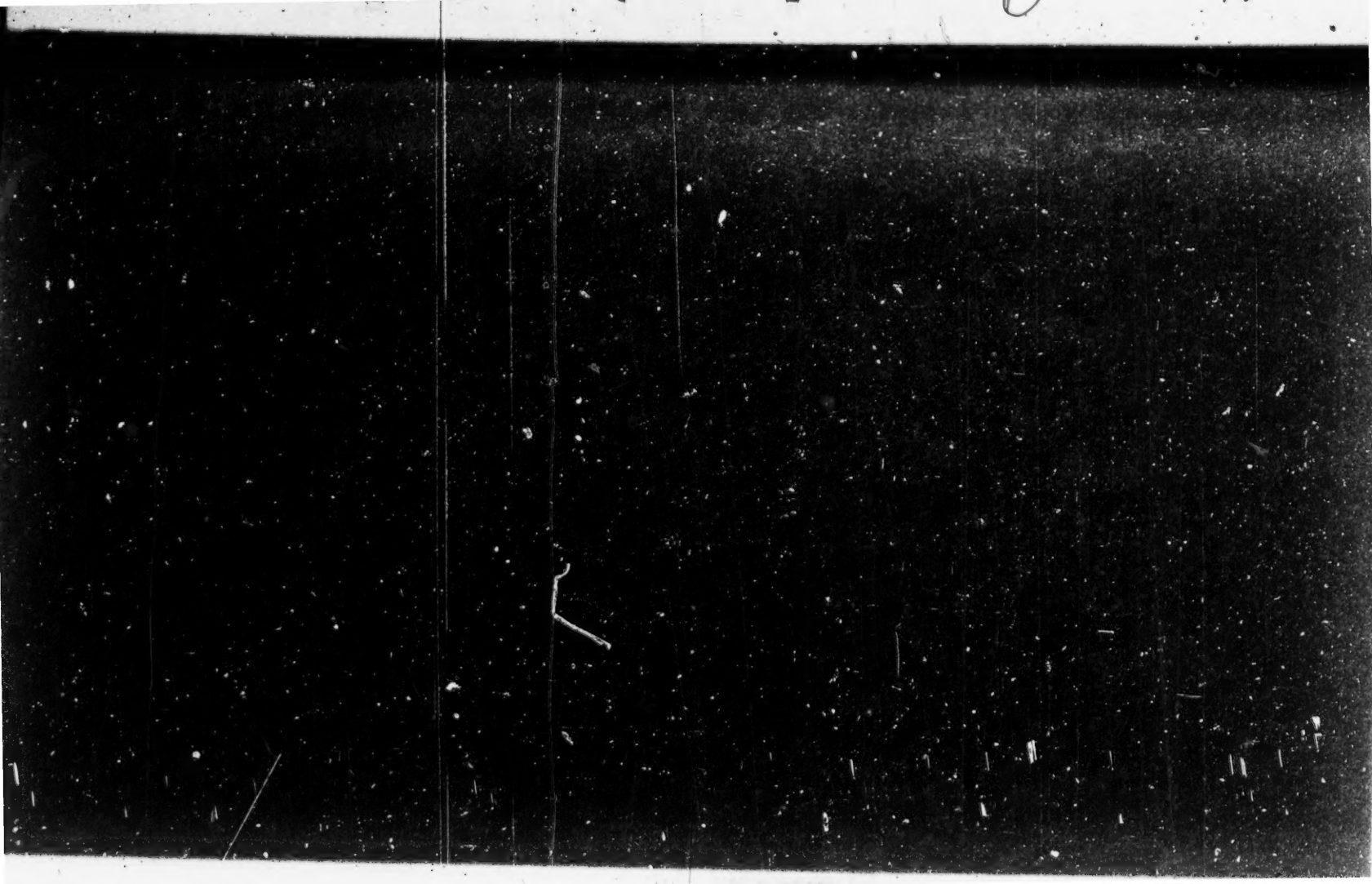
DAVID I. WILENTZ, J. H. THAYER MARTIN AND WALTER R. DARBY, ETC., ET AL., APPELLANTS,

vs.

SOVEREIGN CAMP, WOODMEN OF THE WORLD

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY

FILED OCTOBER 31, 1938.



UPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1938

No. 448

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[fol. 1]

IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

In Equity. #E-5515

SOVEREIGN CAMP OF THE WOODMEN OF THE WORLD

vs.

DAVID T. WILENTZ, Attorney General of the State of New Jersey; J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and Constituting the Municipal Finance Commission of the State of New Jersey; Earl Kircher, Conrad Weber and William G. Hirsch, Members of the Board of Assessors of the Borough of Runnemede, N. J., and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey

DOCKET ENTRIES

June 29, 1936.	Bill of Complaint filed.
" " "	Order to Show Cause for Restraint filed. (Statutory Court.)
" 30, "	Subpoena issued.
July 8, "	Subpoena returned, and filed. (See Subpoena for Services.)
" 9, "	Hearing on Motion for Preliminary Injunction. Adjourned to day to be fixed. (Statutory Court.)
" 17, "	Order of Continuance filed.
" 31, "	Answer filed. (Muncipal Finance Commission.)
Aug. 1, "	Answer of Earl Kircher, Conrad Weber and Wm. G. Hirsch, & Albert W. Spencer, filed.
" 6, "	Notice fixing Place filed. (Newark.)
Oct. 29, "	Stipulation of Facts filed.
" " "	Statutory Court Hearing Continued. Motion to remit Case to District Judge. Decision Reserved. (Circuit Judge Davis—District Judges Avis and Forman.)
Mar. 21, 1938.	Opinion filed. (Avis.)
May 24, "	Order of Substitution of Attorney for Defendant filed.

[fols. 2-4] Docket Entries—Continued

June	6,	1938. Findings of Fact and Conclusions of Law filed.
"	"	" Final Decree for Restraint only, filed.
Aug.	29,	" Assignment of Errors filed.
"	"	" Petition of Appeal to U. S. Supreme Court, filed.
"	"	" Order Allowing Appeal to U. S. Supreme Court, filed,
"	"	" Statement under Rule 12 of the Rules of the Supreme Court of United States filed.
"	"	" Citation issued.
"	"	" Assignment of Errors filed.
"	"	" Petition for Appeal to U. S. Circuit Court of Appeals filed.
"	"	" Order Allowing Appeal to U. S. Circuit Court of Appeals, filed.
"	"	" Citation issued.
"	30,	" Bonds filed. (2).
"	"	" $250 Deposited into Registry for Appeal to U. S. Supreme Court.
"	"	" $250 Deposited into Registry for Appeal to U. S. Circuit Court.
Sept.	12,	" Order Extending Time to Transmit Record to Supreme Court. Copy filed.
Oct.	10,	" Citation with Acknowledgment attached. Copy filed. (Forwarded to Supreme Court.)
"	"	" Order Extending Time to Transmit Record to Supreme Court. Copy filed.
"	"	" Order Extending Time to Transmit Record to Supreme Court. Copy filed.
"	11,	" Citation with Acknowledgment forwarded to Circuit Court. Copy filed.
"	"	" Order Extending Time to Transmit Record to Circuit Court. Copy filed.
"	"	" Order Extending Time to Transmit Record to Circuit Court. Copy filed.
"	27,	" Narrative Transcript of Testimony, filed.
"	"	" Stipulation as to service of Appeal papers, filed.
"	"	" Stipulation re praecipe, filed.

[fol. 5] IN UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

[Title omitted]

BILL OF COMPLAINT—Filed June 29, 1936

To the Honorable the Judges of the United States District Court for the District of New Jersey:

Count One

1. Complainant Sovereign Camp of the Woodmen of the World, is now, and at all times hereinafter mentioned was, a fraternal benefit life insurance association organized and existing under and by virtue of the laws of the State of Nebraska, with its main office and principal place of business in the City of Omaha, Nebraska, and said complainant is a citizen and resident of the State of Nebraska.

2. Defendant David T. Wilentz is Attorney General of the State of New Jersey; defendant J. H. Thayer Martin is State Tax Commissioner of the State of New Jersey; defendant Walter R. Darby is Commissioner of Municipal Accounts of the State of New Jersey, and as such Attorney General, State Tax Commissioner and Commissioner of Municipal Accounts said defendants constitute the Municipal Finance Commission of the State of New Jersey created by Chapter 340 of the Laws of 1931 of the State of New Jersey as amended and supplemented. Defendants Earl Kircher, Conrad Weber and William G. Hirsch are members of and constitute the Board of Assessors of the Borough of Runnemede, New Jersey, and defendant Albert W. Spencer is Tax Collector of the Borough of Runnemede, New Jersey. Each of said defendants is a citizen and resident of the State of New Jersey and of the District of New Jersey.

3. This is a suit of a civil nature in equity and is wholly between citizens of different States. It is, moreover, a suit arising under the Constitution of the United States, as hereinafter more fully appears.

4. The matter in controversy herein exceeds, exclusive of interest and costs, the sum or value of $3,000.00.

5. Prior to, to wit, the 15th day of May, 1934, the Borough of Runnemede, a municipality of the State of New Jersey, had defaulted for over sixty days in the payment of the principal or interest of certain of its outstanding notes or bonds, and in compliance with the provisions of Chapter 340, Laws of New Jersey 1931, as amended and supplemented, a certified copy of a resolution adopted by the governing body of said Borough of Runnemede, New Jersey, reciting in general terms that due to unusual conditions the municipality was not in a position to meet its obligations when due in spite of the endeavors of its officers, and petitioning that the said Municipal Finance Commission function in said municipality, was filed with Honorable Frank Lloyd, a Justice of the Supreme Court of New Jersey.

6. Thereafter, and on, to-wit, the 15th day of May, 1934, after summary investigation, said Justice Frank Lloyd made and entered an order that said Borough of Runne- [fol. 6] mede, New Jersey, was unable to meet its obligations, which order, together with the petition above described, were filed in the office of the Clerk of the Supreme Court of New Jersey.

7. Thereupon said Municipal Finance Commission commenced to function in the said Borough of Runnemede, New Jersey, and has since been and now is functioning therein.

8. In and by the terms and provisions of Chapter 195, Laws of New Jersey 1935, as amended and supplemented, it is provided that whenever the Municipal Finance Commission shall function in any municipality and there is a school district coterminous with such municipality governed by the provisions of Article VII of an act entitled "An Act to establish a thorough and efficient system of free public schools", etc., approved October nineteenth, one thousand nine hundred and three, such school district and the board of education thereof shall be subject to all the provisions of the act to which said Chapter 195 is a supplement, being Chapter 340 of the Laws of New Jersey 1931, as theretofore or thereafter amended and supplemented.

9. In and by the terms and provisions of Chapter 340, Laws of New Jersey 1931, as amended and supplemented, and more particularly as amended and supplemented in and by Sections 8 and 9 of Chapter 330, Laws of New Jersey

1933, and Chapter 191, Laws of New Jersey 1935, it is provided as follows:

"8. Article III-A, section three hundred and fifty-one, of the act of which this act is an amendment be and the same is hereby amended to read as follows:

351. Whenever the municipal finance commission shall function in any municipality and so long as it shall continue so to do, no judgment, decree, levy or execution against such municipality or the property thereof for the recovery of the amount due on any bonds, notes or other obligations of the municipality, in the payment of which such municipality has defaulted, shall be enforced until otherwise specially ordered by the Supreme Court or a justice thereof in an appropriate proceeding for such purpose, after notice to the commission, and the enforcement of any such judgment, decree, levy or execution shall be and it hereby is stayed until otherwise specially ordered as aforesaid.

"9. Article III-A, section three hundred and fifty-two, of the act of which this act is an amendment be and the same is hereby amended to read as follows:

352. Whenever the municipal finance commission shall function in any municipality and so long as it shall continue so to do, no action or proceeding of any kind either direct or ancillary, by way of mandamus or otherwise shall be brought against such municipality or any public officers for the assessment, levy or collection of taxes by or for such municipality and any and all actions or proceedings therefor shall be and they hereby are stayed; except that first, the Supreme Court or a justice thereof, after notice to the commission, may authorize one or more creditors of such municipality to bring and maintain an action or proceeding therefor in the Supreme Court, which shall be brought for the benefit of themselves and all other creditors of such municipality and in which all other creditors of such municipality shall have the right to intervene and assert their claim and in which all other creditors of such municipality may, and said commission shall, be made parties in such manner and upon such notice as the Supreme Court shall approve; and except that, second, the municipal finance commission may bring and maintain an action or actions by way of mandamus or by any other appropriate pro-

ceeding or proceedings for the assessment, levy or collection of taxes by such municipality for the payment of principal and/or interest of the indebtedness of the municipality found to be outstanding as provided in section two hundred and one of this act." (Sec. 8 and 9, c. 330, Laws 1933.)

"Article III-A of the act to which this act is an amendment be and the same hereby is amended by adding thereto after section three hundred fifty-three a new section as follows:

[fol. 7] 354. Whenever the municipal finance commission shall function in any municipality and so long as it shall continue to do so, no action or proceedings at law or in equity shall be brought or prosecuted, the purpose of which is to effect the disposition of property or funds owned or controlled by the municipality, except as provided in this act. If any such municipality has in its possession or under its control, or there is in the possession or under the control of the commission, any property or funds of such municipality which are or may be available for the payment of interest or principal upon any of the debts of such municipality (over and above the payment of the current operating expenses of the municipality and the maintenance of a reasonable working capital), then such municipality in its discretion may apply, or if directed by the commission shall apply, to the Supreme Court to determine the application and distribution of such property or funds to and among the creditors of the municipality, and in any such case the Supreme Court in its discretion may permit an application for relief of the same character to be made by any creditor of the municipality. In any such proceedings all creditors of the municipality shall be made parties thereto in such manner and upon such notice by publication or otherwise as the Supreme Court shall approve, and any creditor may appear therein and assert his rights to receive all or any part of such property or funds." (c. 191, Laws 1935.)

10. In and by the terms and provisions of Section 17 of Chapter 258, Laws of New Jersey, 1935, it is provided as follows:

"17. Remedies. Whenever the commission shall function in a municipality having a school district coterminous therewith which is governed by the provisions of Article VII of the school law,

(a) no judgment, decree, levy or execution against such school district or the property thereof for the recovery of the amount due on any bonds, notes or other obligations of the school district, in the payment of which such school district has defaulted, shall be enforced until otherwise specially ordered by the Supreme Court or a justice thereof in an appropriate proceeding for such purpose, after notice to the commission, and the enforcement of any such judgment, decree, levy or execution shall be and it hereby is stayed until otherwise specially ordered as aforesaid:

(b) no action or proceeding of any kind either direct or ancillary, by way of mandamus or otherwise, shall be brought against such school district, municipality, or any public officers for the assessment, levy or collection of taxes for such school district and any and all actions or proceedings therefor shall be and they hereby are stayed; except that first, the Supreme Court or a justice thereof, after notice to the commission may authorize one or more creditors of such school district to bring and maintain an action or proceeding therefor in the Supreme Court, which shall be brought for the benefit of themselves and all other creditors of such school district and in which all other creditors of such school district shall have the right to intervene and assert their claim and in which all other creditors of such school district may, and said commission shall, be made parties in such manner and upon such notice as the Supreme Court shall approve; and except that, second, the commission may bring and maintain an action or actions by way of mandamus or by any other appropriate proceeding or proceedings for the assessment, levy or collection of taxes for such school district for the payment of principal and/or interest of the indebtedness of the school district found to be outstanding as provided in section one of this act,

(c) no action or proceeding at law or in equity shall be brought or prosecuted, the purpose of which is to affect the disposition of property or funds owned or controlled by the school district, except as herein provided; if any such school district has in its possession or under its control, or there is in the possession or under the control of [fol. 8] the commission, any property or funds of such school district which are or may be available for the payment of interest or principal upon any of the debts of such

school district (over and above the payment of the current operating expenses of the school district and the maintenance of a reasonable working capital), then such school district in its discretion may apply, or if directed by the commission shall apply, to the Supreme Court to determine the application and distribution of such property or funds to and among the creditors of the school district, and in any such case the Supreme Court in its discretion may permit an application for relief of the same character to be made by any creditor of the school district; in any such proceedings all creditors of the school district shall be made parties thereto in such manner and upon such notice by publication or otherwise as the Supreme Court shall approve, and any creditor may appear therein and assert his rights to receive all or any part of such property or funds."

11. The School District of Runnemede, New Jersey, is coterminous with the Borough of Runnemede, New Jersey, and the Municipal Finance Commission is functioning in said School District, pursuant to Chapter 195, Laws of New Jersey, 1935.

12. Complainant is the owner and holder of final judgment in the amount of $21,776.21 made and entered December 5, 1935, against said Board of Education of the Borough of Runnemede, New Jersey, entered in the District Court of the United States for the District of New Jersey in Cause No. L-5224, entitled "Sovereign Camp, Woodmen of the World, vs. The Board of Education of the Borough of Runnemede", etc., which judgment is on bonds of The Board of Education of the Borough of Runnemede, New Jersey, dated June 1, 1930, numbered 3 to 8, inclusive, in the amount of $1,000 each, and interest coupons from those bonds and other bonds of the same issue, all as more fully and particularly appears in the files and records of this Court in Cause number L-5224, to which reference is prayed.

13. Complainant has made demand for payment of said judgment, payment has been refused, and a writ of execution was issued on said judgment on December 24, 1935, and was returned, nulla bona, on January 5, 1936. A certified copy thereof has been served upon the Assessors of said Borough and upon the Tax Collector of said Borough.

14. Defendants William G. Hirsch, Conrad Weber and Earl Kircher, as and constituting the Board of Assessors,

and Albert W. Spencer, Tax Collector, have failed, neglected and refused to perform their duties and to comply with Section 35 of the Execution Act, being 2 Compiled Statutes of New Jersey, p. 2255, and Section 237 of the School Law being 4 Compiled Statutes of New Jersey, p. 4804, requiring that upon judgment entered against a Board of Education of a School District, execution issued and returned nulla bona and service of a certified copy of the execution upon the assessor or assessors of the taxing district in which such school district is located and also upon the collector or collectors of such taxing district, such assessor or assessors shall, at the time of the next regular assessment of school taxes, assess upon the inhabitants of said school district and their estates, and upon the taxable property therein, in addition to the regular school taxes, the amount due upon said execution, with interest thereon to the time when the same shall be paid to the officer serving such process and the collector or collectors shall levy and collect the same, and said amount, when collected, shall be a separate fund, and shall be paid over by said collector to the officer who shall have served said process.

15. Such failure, neglect and refusal is based upon the fact that the Municipal Finance Commission is functioning in the School District of the Borough of Runnemede, New Jersey, and that by Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, it is provided that whenever said Municipal Finance Commission shall function in any municipality having a school district coterminous therewith which is governed by the provisions of Article VII of the School Law, and so long as it shall continue to do so, no judgment, decree, levy or execution against such school district or the property thereof for the recovery of the amount due on any bonds, notes or other obligations of the [fol. 9] school district, in the payment of which such school district has defaulted, shall be enforced until otherwise specially ordered by the Supreme Court or a justice thereof in an appropriate proceeding for such purpose, after notice to the Commission, and the enforcement of any such judgment, decree, levy or execution is stayed until otherwise specially ordered by the Supreme Court or a justice thereof, and that it is further provided that whenever the Municipal Finance Commission shall function in any school district

and so long as it shall continue so to do, no action or proceeding of any kind either direct or ancillary, by way of mandamus or otherwise shall be brought against such school district or any public officers for the assessment, levy or collection of taxes for such school district and any and all actions or proceedings therefor are stayed; except that first, the Supreme Court or a justice thereof, after notice to the Commission, may authorize one or more creditors of such school district to bring and maintain an action or proceeding therefor in the Supreme Court, which shall be brought for the benefit of themselves and all other creditors of such school district and in which all other creditors of such school district shall have the right to intervene and assert their claim.

16. Said Chapter 330, Laws of New Jersey 1933, and said Chapters 195 and 258, Laws of New Jersey 1935, and amendments and supplements thereto, were enacted after the issuance of the bonds now represented by plaintiff's judgment, and the principles thereof staying proceedings for the satisfaction of judgments has been held to be constitutional and valid by a 7-6 decision of the Court of Errors and Appeals of the State of New Jersey in Hourigan vs. Township of North Bergen, 113 N. J. L. 143; 172 Atl. 193, decided April 12, 1934.

17. As to complainant, a holder of bonds issued prior to their enactment, said Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, are, and each of them is null and void and contrary to and in violation of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts, in that in and by the terms of said Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, respectively, Laws of New Jersey 1935, as amended and supplemented, and the functioning of the Municipal Finance Commission in the School District of the Borough of Runnemede, New Jersey, pursuant thereto, complainant's right to enforce the obligation of the contract contained in its bonds is impaired, diminished and destroyed and plaintiff is left without an adequate remedy.

18. Defendant Municipal Finance Commission, purporting to act pursuant to the power and authority vested in it,

has made up, adopted and certified to the Borough Council of the Borough of Runnemede, New Jersey, a budget for the current fiscal year which contains no provision for the levy and collection of a special tax to pay Complainant's judgment or any part thereof, as evidenced by certified copy of the resolution of said Commission adopted by said Commission on the 28th day of February 1936, copy of which is hereto annexed, marked "Exhibit A", and made a part hereof. Said Municipal Finance Commission has also approved a budget for the Board of Education of the School District of the Borough of Runnemede for the school year 1936-1937, which budget contains no provision for the levy and collection of a special tax to pay Complainant's judgment or any part thereof, as evidenced by a resolution adopted by said Commission at a meeting held January 31, 1936, copy of which resolution is hereto annexed, marked "Exhibit B" and made a part hereof. Complainant states on information and belief that, relying upon the stay provisions of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, and the functioning of the Municipal Finance Commission in the Borough and School District of Runnemede, the Borough Council will adopt and put into force and effect the budgets as certified and approved by said Commission, and the Tax Assessors and Tax Collector of said Borough of Runnemede, New Jersey, will not include Complainant's judgment or any part thereof in the assessment, levy and collection of taxes as provided and required by the statutes in such case made and provided, being Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law of New Jersey, being 4 Compiled Statutes of New Jersey, page 4804.

[fol. 10] 19. Defendant Municipal Finance Commission is an administrative board or commission, and, acting under and pursuant to the aforesaid unconstitutional statutes, is issuing orders concerning the policy and management of the fiscal affairs of the Borough of Runnemede and the School District of said Borough, and otherwise functioning in said Borough and School District. Said statutes merely confer on the Municipal Finance Commission certain supervisory powers, and some regulation over the disbursement of funds, but with no affirmative powers to

levy Taxes or otherwise raise revenues for the relief of judgment creditors, notwithstanding that said statutes attempt to prevent any judgment creditor from invoking the aid of the courts by way of mandamus or otherwise in obtaining satisfaction of his judgment. Said Commission has refused to recognize the obligation of the Borough and School District to pay its bondholders and has failed and neglected to exercise diligently the limited powers granted to it in the interests of the holders of bonds of said Borough and School District, but on the contrary has been lax and dilatory in the management of the finances of said Borough and School District, and has actively encouraged and counselled said Borough and School District officials to disregard the demands for payment of any amounts to bondholders and the levying of taxes for the payment of the past due funded indebtedness of said Borough and School District, and this complainant judgment creditor, all in contravention of the statutes in such cases made and provided, being Section 35 of the Execution Act, 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law, being 4 Compiled Statutes of New Jersey, page 4804.

20. Complainant's judgment, described in paragraph 12 hereof, was ordered on December 2, 1935, and was made and entered on December 5, 1935. Execution thereon was issued December 24, 1935, and returned nulla bona on January 3, 1936, and petition for a writ of mandamus to compel the assessment, levy and collection of taxes for the payment of complainant's judgment was filed February 14, 1936. Proofs have been taken on said petition but the matter has not yet been decided and will not be decided for some time. Meanwhile, and despite the pendency of Complainant's petition for said writ of mandamus, said Municipal Finance Commission has been and is insisting that the Borough Council of the Borough of Runnemede adopt and put into force and effect the budget certified to it by said Commission, and that taxes be levied and collected by the Board of Assessors and Tax Collector of said Borough in accordance with the budget certified to the Borough Council and the budget approved for the Board of Education, and said Borough Council, Board of Education, Tax Assessors and Collector are threatening to adopt and put into force and effect the budgets certified by the

said Commission or budgets of their own making, neither of which will provide for payment of Complainant's judgment or any part thereof.

21. The tax assessors and the tax collector of said Borough of Runnemede, New Jersey, acting at the direction of the Municipal Finance Commission, will not include in the tax levy for the current fiscal year the amount of complainant's juddgment or any part thereof, unless compelled so to do by order of the Court, because of the functioning of the Municipal Finance Commission in said School District of the Borough of Runnemede, New Jersey, pursuant to Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented.

22. If prior to a final determination of complainant's application for a writ of mandamus, the Borough Council and the Board of Education of the Borough of Runnemede, New Jersey, adopt and put into force and effect budgets which make no provision for payment of complainant's judgment or any part thereof and the tax assessors and tax collector of said Borough levy and collect taxes in accordance with said budgets and without making provision in said levy for payment of complainant's judgment or any part thereof, as said Borough Council, Board of Education and said tax assessors and tax collector now threaten to do, and complainant is informed and believes will do, all because of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, and the functioning of the Municipal Finance Commission in said School District, complainant will suffer irreparable injury and damage. [fol. 11] and any writ of mandamus issued out of the District Court for the District of New Jersey will be inadequate and ineffectual to compel the officials of said Borough to levy and collect taxes for the payment of complainant's judgment or any part thereof during the current fiscal year of said School District, as a result of which complainant will be delayed and subjected to great additional expense and irreparably injured and damaged.

23. Complainant's remedy at law in the premises is neither plain, adequate nor complete and relief can be granted only in a court of equity.

Wherefore, inasmuch as complainant has no plain, adequate and complete remedy at law and to the end that complainant will not suffer irreparable damage and injury and may be permitted to preserve and conserve its valid legal vested property rights, complainant prays:

A. That a subpoena issue out of this Court directed to defendants, commanding them to appear and answer to this complainant, but not under oath, answer under oath being expressly waived.

B. That defendant Municipal Finance Commission be permanently enjoined and restrained from functioning in the School District of the Borough of Runnemede, New Jersey.

C. That pending final hearing said Municipal Finance Commission be restrained and enjoined from functioning in the School District of the Borough of Runnemede, New Jersey, by interlocutory injunction and, in the meanwhile, by temporary restraining order.

D. That this Court hold, adjudge and declare Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, are unconstitutional and void in so far as they attempt to affect the enforceability of complainant's bonds and complainant's judgment by staying proceedings for the enforcement thereof.

E. That, in aid of the mandamus proceedings now pending, defendants Earl Kircher, Conrad Weber and William G. Hirsch, as the Board of Assessors, and Albert W. Spencer, Tax Collector, respectively, of the Borough of Runnemede, New Jersey, be enjoined and restrained from assessing, levying and collecting any taxes in and for said Borough for the fiscal year 1936 without including therein the amount of complainant's judgment or such part thereof as may finally be ordered in the mandamus proceedings now pending in the District Court of the United States for the District of New Jersey.

F. That this Court hold, adjudge and declare that complainant's rights to compel a levy and collection of taxes for the satisfaction of its judgment are governed solely by Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2255, and

Section 237 of the School Law of New Jersey, being 4 Compiled Statutes of New Jersey, page 4804.

G. That complainant have such other, further and additional relief in the premises as may be equitable and just.

Count Two

As a Further and Additional Cause of Action by Complainant:

1. Complainant realleges and reaffirms as a part of this count all of the allegations contained in paragraphs 1 to 19, both inclusive, of Count One of this Complaint, to the same effect as though here fully set forth.

2. Complainant is the owner and holder of bonds of the Board of Education of the Borough of Runnemede, New Jersey, dated June 1, 1930, numbered 9 to 78, inclusive, in the amount of $1,000 each, with coupons representing interest due and to become due attached. The principal of said bonds will mature and become due serially, $2,000 annually June 1, 1936 and 1937, $3,000 annually 1938 to 1959, all dates inclusive, and interest on said bonds, represented by coupons, will become due and payable semi-annually on June 1 and December 1 of each year. Said bonds contain no provision for acceleration of prin- [fol. 12] cipal upon default in payment of interest or upon default in payment of other bonds of said issue.

3. As a result of the enactment of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, and amendments and supplements thereto, and the functioning of the Municipal Finance Commission in the School District of the Borough of Runnemede, New Jersey, a cloud of unenforceability has been publicly cast upon complainant's bonds, and the market value of complainant's bonds has been greatly depreciated, diminished and impaired, and it is impossible for complainant to sell or otherwise dispose of said bonds at their true value, and such a condition will continue to exist so long as said Commission continues to function in said School District. As a result, complainant has been, is and as long as said Commission continues to function in said School District will continue to be, irreparably damaged and injured.

4. As long as the Municipal Finance Commission continues to function in the School District of the Borough of Runnemede, New Jersey, and the constitutionality of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, are undetermined, said School District and the Board of Education thereof will make no payments on its past due bonds and coupons and will continue to default in the payment of principal and interest of said bonds as the same become due and payable and complainant will be forced to bring, repeatedly, separate actions at law and ancillary proceedings in mandamus as each instalment of principal and interest becomes due, which will cause and require a multiplicity of suits and the value of said bonds and coupons will be and become greatly depreciated and impaired and complainant is and will be irreparably damaged and injured.

5. Complainant is without a plain, adequate and complete remedy at law and can be given relief only in a court of equity.

Wherefore, complainant prays:

A. That a subpoena issue out of this Court directed to defendants David T. Wilentz, J. H. Thayer Martin and Walter R. Darby as constituting the Municipal Finance Commission of the State of New Jersey, commanding them to be and appear before this Court at a day certain and make answer to this complaint, but not under oath, answer under oath being expressly waived.

B. That this Court remove the cloud upon the enforceability of complainant's bonds and prevent a multiplicity of suits by permanently enjoining and restraining defendants Wilentz, Martin and Darby, as and constituting the Municipal Finance Commission from functioning in the School District of the Borough of Runnemede, New Jersey.

C. That pending final hearing this Court issue an interlocutory injunction and a temporary restraining order enjoining and restraining defendants Wilentz, Martin and Darby from functioning in the School District of the Borough of Runnemede, New Jersey.

D. That this Court hold, adjudge and declare Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and

Chapter 195 and Section 17 of Chapter 258, Laws of New Jersey 1935, all as amended and supplemented, to be unconstitutional and void as to complainant's bonds, as being contrary to Article I, Section 10 of the Constitution of the United States providing that no State shall pass any law impairing the obligation of contracts.

E. That this Court hold, adjudge and declare that complainant's rights to compel a levy and collection of taxes for the satisfaction of its judgment are governed solely by Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Laws of New Jersey, being 4 Compiled Statutes of New Jersey, page 4804.

F. That complainant have such other, further and additional relief in the premises as may be equitable and just.

[fol. 13] Count Three

As a Further and Additional Cause of Action by Complainant:

1. Complainant realleges and reaffirms as a part of this count all of the allegations contained in paragraphs 1 to 19, both inclusive, of Count One and in paragraph 2 of Count Two of this complaint to the same effect as though here fully set forth.

2. Complainant's judgment and bonds are payable in lawful money of the United States only.

3. At the time of the issuance of complainant's bonds the laws of the State of New Jersey provided that taxes levied and assessed upon property within said State should be paid in lawful money of the United States only.

4. In and by the provisions of Chapter 330, Laws of New Jersey 1933, Section 6, as amended and supplemented, it is provided that the governing body of a municipality in which the Municipal Finance Commission is functioning is empowered to compromise and adjust the whole or any part of any special assessments or taxes delinquent to the municipality and no claim of the municipality for taxes or assessments, and interest thereon, in excess of Five Hundred Dollars shall be compromised without the assent in writing of the said Commission.

5. The Board of Education of the Borough of Runnemede, New Jersey, has been in default in the payment of principal and interest on its bonds since on or about June 1, 1931.

6. At meetings of the Municipal Finance Commission acting in and for the Borough of Runnemede held January 31, 1936, and on February 14, 1936, said Commission assented in writing to resolutions of the Council of said Borough providing for the compromise of certain taxes and assessments by the acceptance of bonds, all as more fully appears from the minutes of said meetings of the Municipal Finance Commission, copies of which are attached hereto, made a part hereof and marked "Exhibit D."

7. Complainant owns no property in the Borough of Runnemede, New Jersey.

8. The compromise of past due taxes of said Borough is unlawful and illegal and the acceptance of bonds of said Borough in compromise of taxes of the Borough is unlawful and illegal in that as a result of such compromises and acceptances pursuant to the provisions and requirements of said Chapter 330, Laws of New Jersey, 1933, Section 6, as amended and supplemented, the holders of bonds so accepted are given a preference over complainant and other bondholders who own no property in said Borough of Runnemede, New Jersey, and gives a preference to Borough bondholders over Board of Education bondholders, contrary to law, and complainant is irreparably injured and damaged thereby.

9. As a further result of such compromise and acceptances pursuant to the provisions and requirements of said statute, the security of complainant's bonds is impaired and the obligation of the contract in complainant's bonds is impaired, contrary to the provisions of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts.

Wherefore, complainant prays:

A. That a subpoena issue out of this Court directed to defendants, commanding them to appear and answer to

this complaint, but not under oath, answer under oath being expressly waived.

B. That defendant Municipal Finance Commission be permanently enjoined and restrained by injunction and, in the meanwhile, by interlocutory injunction and temporary restraining order, from assenting to the compromising of delinquent taxes due and owing to the Borough of Runnemede, New Jersey, for an amount less than the full amount due thereon.

C. That defendant Municipal Finance Commission be permanently enjoined and restrained by injunction and, in the meanwhile, by interlocutory injunction and temporary [fol. 14] restraining order, from authorizing or assenting to the acceptance of any medium other than lawful money in payment of taxes now or hereafter to become due and owning to the Borough of Runnemede, New Jersey.

D. That defendant Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, be permanently enjoined and restrained by injunction and, in the meanwhile, by interlocutory injunction and temporary restraining order, from receiving payment of taxes and giving a receipt of payment in full and showing payment in full on the tax books and records of the Borough of Runnemede, New Jersey, except upon payment of the full amount, principal, interest at the legal rate, and penalties.

E. That defendant Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, be permanently enjoined and restrained by injunction and, in the meanwhile, by interlocutory injunction and temporary restraining order, from accepting any medium other than lawful money in payment of taxes now or hereafter to become due and owing to the Borough of Runnemede, New Jersey.

F. That this Court hold, adjudge and declare Section 6 of Chapter 330, Laws of New Jersey 1933, as amended and supplemented, to be unconstitutional and void as to complainant's judgment and bonds, as being contrary to Article I, Section 10 of the Constitution of the United States providing that no State shall pass any law impairing the obligation of contracts.

G. That complainant have such other, further and additional relief as may be equitable and just.

Count Four

As a Further and Additional Cause of Action by Complainant:

1. Complainant realleges and reaffirms as a part of this count all of the allegations contained in paragraphs 1 to 19, both inclusive of Count One and in paragraph 2 of Count Two of this complaint, to the same effect as though here fully set forth.

2. An actual controversy exists between complainant and defendant Municipal Finance Commission as to the constitutionality and validity of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 191, 195 and Section 17 of Chapter 258, Laws of New Jersey 1935, all as amended and supplemented, in that complainant contends that said statutes are unconstitutional and void as to bonds of the Board of Education of said school district, which bonds were issued prior to the enactment of said statutes, for the reason that said statutes stay the enforcement of bonds and judgments thereon, while the Municipal Finance Commission of New Jersey is functioning in said school district, and are contrary to and in violation of the provisions of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts, and defendants contend that said statutes are valid and constitutional as to such bonds.

Wherefore, complainant prays:

A. That a subpoena issue out of this Court directed to defendants, commanding them to appear and answer to this complaint, but not under oath, answer under oath being expressly waived.

B. That this Court hold, adjudge and declare that, as to school district bonds issued prior to their enactment, Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 191, 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, are unconstitutional and void as being contrary to Article I, Section 10 of the Constitution of the United States, which provides that no State shall pass any law impairing the obligation of contracts.

C. That this Court enjoin and restrain defendant Municipal Finance Commission in the enforcement and execution of said statutes.

D. That this Court permanently enjoin, and, pending final hearing, this Court issue an interlocutory injunction and a temporary restraining order, enjoining and restraining defendants Wilentz, Martin and Darby from functioning in the School District of the Borough of Runnemede, New Jersey.

[fol. 15] E. That complainant have such other and further relief in the premises as may be equitable and just.

Arthur T. Vanderbilt, 744 Broad Street, Newark, New Jersey; Thomson, Wood & Hoffman, Two Wall Street, New York, N. Y., Solicitors for and of Counsel with Complainant.

In United States District Court for the District of New Jersey

[Title omitted]

Affidavit Verifying Bill of Complaint and in Support of Application for Interlocutory Injunction

State of New York,
County of New York, ss:

John B. Dawson, of full age, being duly sworn according to law, upon his oath deposes and says:

That he is one of the attorneys for the Complainant and that he makes this affidavit on behalf of the Complainant and by the express authority and consent of the Complainant for the reason that he has actual knowledge of all the allegations in said bill by examination of the records of the Municipal Finance Commission of the State of New Jersey, [fol. 16] and by reason of having acted as one of the attorneys for the Complainant in Cause No. L-5224 entitled "Sovereign Camp, Woodmen of the World *v.* Board of Education of the Borough of Runnemede" in which final judgment was rendered in favor of Complainant on December 5, 1935, and by reason of having acted as one of

the attorneys for Complainant in the filing of the petition for a writ of mandamus to compel the assessment, levy and collection of taxes for the payment of Complainant's judgment, which petition was filed February 14, 1936, and by reason of having acted as one of the attorneys for the Plaintiffs in connection with the litigation concerning other defaulted municipalities under the protection of the Commission hereinafter referred to, to-wit, Township of North Bergen, City of Asbury Park, Township of Chester and Borough of Fort Lee, and deponent has, therefore, peculiar knowledge of the facts stated in the complaint, and is the proper party to sign and verify such bill of complaint.

1. The Sovereign Camp of the Woodmen of the World is now and at all times hereinafter mentioned was, a fraternal benefit life insurance association organized and existing under and by virtue of the laws of the State of Nebraska, with its main office and principal place of business in the City of Omaha, Nebraska, and said complainant is a citizen and resident of the State of Nebraska.

2. Defendant David T. Wilentz is Attorney General of the State of New Jersey; defendant J. H. Thayer Martin is State Tax Commissioner of the State of New Jersey; defendant Walter R. Darby is Commissioner of Municipal Accounts of the State of New Jersey, and as such Attorney General, State Tax Commissioner and Commissioner of Municipal Accounts said defendants constitute the Municipal Finance Commission of the State of New Jersey created by Chapter 340 of the Laws of 1931 of the State of New Jersey as amended and supplemented. Defendants Earl Kircher, Conrad Weber and William G. Hirsch are members of and constitute the Board of Assessors of the Borough of Runnemede, New Jersey, and defendant Albert W. Spencer is Tax Collector of the Borough of Runnemede, New Jersey. Each of said defendants is a citizen and resident of the State of New Jersey and of the District of New Jersey.

3. This is a suit of a civil nature in equity and is wholly between citizens of different States. It is, moreover, a suit arising under the Constitution of the United States, as hereinafter more fully appears.

4. The matter in controversy herein exceeds, exclusive of interest and costs, the sum or value of $3,000.00.

5. Prior to, to wit, the 15th day of May, 1934, the Borough of Runnemede, a municipality of the State of New Jersey, had defaulted for over sixty days in the payment of the principal or interest of certain of its outstanding notes or bonds, and in compliance with the provisions of Chapter 340, Laws of New Jersey 1931, as amended and supplemented, a certified copy of a resolution adopted by the governing body of said Borough of Runnemede, New Jersey, reciting in general terms that due to unusual conditions the municipality was not in a position to meet its obligations when due in spite of the endeavors of its officers, and petitioning that the said Municipal Finance Commission function in said municipality, was filed with Honorable Frank Lloyd, a Justice of the Supreme Court of New Jersey.

6. Thereafter, and on, to-wit, the 15th day of May, 1934, after summary investigation, said Justice Frank Lloyd made and entered an order that said Borough of Runnemede, New Jersey, was unable to meet its obligations, which order, together with the petition above described, were filed in the office of the Clerk of the Supreme Court of New Jersey.

7. Thereupon said Municipal Finance Commission commenced to function in the said Borough of Runnemede, New Jersey, and has since been and now is functioning therein.

8. In and by the terms and provisions of Chapter 195, Laws of New Jersey 1935, as amended and supplemented, [fol. 17] it is provided that whenever the Municipal Finance Commission shall function in any municipality and there is a school district coterminous with such municipality governed by the provisions of Article VII of an act entitled "An Act to establish a thorough and efficient system of free public schools," etc., approved October nineteenth, one thousand, nine hundred and three, such school district and the board of education thereof shall be subject to all the provisions of the act to which said Chapter 195 is a supplement, being Chapter 340 of the Laws of New Jersey 1931, as theretofore or thereafter amended and supplemented.

9. The School District of Runnemede, New Jersey, is coterminous with the Borough of Runnemede, New Jersey, and the Municipal Finance Commission is functioning in said School District, pursuant to Chapter 195, Laws of New Jersey, 1935.

10. That on or about June 1, 1930, Complainant purchased in the open market, for value and before maturity, at a price in excess of par and accrued interest, $78,000 par value School Bonds of the Board of Education of the Borough of Runnemede, New Jersey, being all of the issue of bonds of said Board dated June 1, 1930, numbered consecutively from 1 to 78, inclusive, of the denomination of $1,000 each, and bearing interest at the rate of five and one-quarter per cent per annum, payable semi-annually June 1 and December 1 of each year. Said bonds were in coupon form, payable to bearer, and were payable and matured serially in numerical order $2,000 bonds on June 1 in each of the years 1932 to 1937, inclusive, and $3,000 bonds on June 1 in each of the years 1938 to 1959, inclusive, and contain no provision for the acceleration of principal upon default in payment of principal or interest.

11. Bonds numbers 1 and 2 of said issue matured and were paid on June 1, 1932 and complainant is now the owner of a judgment in the sum of $21,776.21 representing the principal of bonds numbers 3 to 8, inclusive, now past due, and interest coupons numbers 4 to 10, inclusive, attached to each of said bonds numbers 3 to 78, inclusive, which coupons became due on June 1, 1932, December 1, 1932, June 1, 1933, December 1, 1933, June 1, 1934, December 1, 1934 and June 1, 1935, together with interest from the respective maturity dates of said bonds and coupons to the date of the judgment which judgment was entered in this Court December 5th, 1935, in cause number L-5224, entitled "Sovereign Camp, Woodmen of the World vs. The Board of Education of the Borough of Runnemede," to which reference is prayed.

12. Complainant has made demand for payment of said judgment, payment has been refused, and a writ of execution was issued on said judgment on December 24, 1935, and was returned, nulla bona, on January 5, 1936. A certified copy thereof has been served upon the Assessors of said Borough and upon the Tax Collector of said Borough.

13. Defendants William G. Hirsch, Conrad Weber and Earl Kircher, as and constituting the Board of Assessors, and Albert W. Spencer, Tax Collector, have failed, neglected and refused to perform their duties and to comply with Section 35 of the Execution Act, being 2 Compiled

Statutes of New Jersey, page 2255, and Section 237 of the School Law, being 4 Compiled Statutes of New Jersey, page 4804, requiring that upon judgment entered against a Board of Education of a School District, execution issued and returned nulla bona and service of a certified copy of the execution upon the assessor or assessors of the taxing district in which such school district is located and also upon the collector or collectors of such taxing district, such assessor or assessors shall, at the time of the next regular assessment of school taxes, assess upon the inhabitants of said school district and their estates, and upon the taxable property therein, in addition to the regular school taxes, the amount due upon said execution, with interest thereon to the time when the same shall be paid to the officer serving such process and the collector or collectors shall levy and collect the same, and said amount, when collected, shall be a separate fund, and shall be paid over by said collector to the officer who shall have served said process.

[fol. 18] 14. Such failure, neglect and refusal is based upon the fact that the Municipal Finance Commission is functioning in the School District of the Borough of Runnemede, New Jersey, and that by Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, it is provided that whenever said Municipal Finance Commission shall function in any municipality having a school district coterminous therewith which is governed by the provisions of Article VII of the School Law, and so long as it shall continue to do so, no judgment, decree, levy or execution against such school district or the property thereof for the recovery of the amount due on any bonds, notes or other obligations of the school district, in the payment of which such school district has defaulted, shall be enforced until otherwise specially ordered by the Supreme Court or a justice thereof in an appropriate proceeding for such purpose, after notice to the Commission, and the enforcement of any such judgment, decree, levy or execution is stayed until otherwise specially ordered by the Supreme Court or a justice thereof, and that it is further provided that whenever the Municipal Finance Commission shall function in any school district and so long as it shall continue so to do, no action or proceeding of any kind either direct or ancillary, by way of mandamus or otherwise shall be brought against such school

district or any public officers for the assessment, levy or collection of taxes for such school district and any and all actions or proceedings therefor are stayed; except that first, the Supreme Court or a justice thereof, after notice to the Commission, may authorize one or more creditors of such school district to bring and maintain an action or proceeding therefor in the Supreme Court, which shall be brought for the benefit of themselves and all other creditors of such school district and in which all other creditors of such school district shall have the right to intervene and assert their claim.

15. Said Chapter 330, Laws of New Jersey 1933, and said Chapters 195 and 258, Laws of New Jersey 1935, and amendments and supplements thereto, were enacted after the issuance of the bonds now represented by plaintiff's judgment, and the principles thereof staying proceedings for the satisfaction of judgments has been held to be constitutional and valid by a 7-6 decision of the Court of Errors and Appeals of the State of New Jersey in Hourigan vs. Township of North Bergen, 113 N. J. L. 143; 172 Atl. 193, decided April 12, 1934.

16. As to complainant, a holder of bonds issued prior to their enactment, said Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, are, and each of them is null and void and contrary to and in violation of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts, in that in and by the terms of said Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, respectively, Laws of New Jersey 1935, as amended and supplemented, and the functioning of the Municipal Finance Commission in the School District of the Borough of Runnemede, New Jersey, pursuant thereto, complainant's right to enforce the obligation of the contract contained in its bonds is impaired, diminished and destroyed and plaintiff is left without an adequate remedy.

17. Defendant Municipal Finance Commission, purporting to act pursuant to the power and authority vested in it, has made up, adopted and certified to the Borough Council of the Borough of Runnemede, New Jersey, a budget for the current fiscal year which contains no provision for

the levy and collection of a special tax to pay Complainant's judgment or any part thereof, as evidenced by certified copy of the resolution of said Commission adopted by said Commission on the 28th day of February 1936, copy of which is annexed to the Complaint, marked "Exhibit A," and made a part hereof. Said Municipal Finance Commission has also approved a budget for the Board of Education of the School District of the Borough of Runnemede for the school year 1936-1937, which budget contains no provision for the levy and collection of a special tax to pay Complainant's judgment or any part thereof, as evidenced by a resolution adopted by said Commission at a meeting held January 31, 1936, copy of which resolution is annexed to the Complaint, marked "Exhibit B" and made a part hereof. Complainant states on information and belief that, [fol. 19] relying upon the stay provisions of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, and the functioning of the Municipal Finance Commission in the Borough and School District of Runnemede, the Borough Council will adopt and put into force and effect the budgets as certified and approved by said Commission, and the Tax Assessors and Tax Collector of said Borough of Runnemede, New Jersey, will not include Complainant's judgment or any part thereof in the assessment, levy and collection of taxes as provided and required by the statutes in such case made and provided, being Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law of New Jersey, being 4 Compiled Statutes of New Jersey, page 4804.

18. Defendant Municipal Finance Commission is an administrative board or commission, and, acting under and pursuant to the aforesaid unconstitutional statutes, is issuing orders concerning the policy and management of the fiscal affairs of the Borough of Runnemede and the School District of said Borough, and otherwise functioning in said Borough and School District. Said statutes merely confer on the Municipal Finance Commission certain supervisory powers, and some regulation over the disbursement of funds, but with no affirmative powers to levy taxes or otherwise raise revenues for the relief of judgment creditors, notwithstanding that said statutes attempt to prevent any

judgment creditor from invoking the aid of the courts by way of mandamus or otherwise in obtaining satisfaction of his judgment. Said Commission has refused to recognize the obligation of the Borough and School District to pay its bondholders and has failed and neglected to exercise diligently the limited powers granted to it in the interests of the holders of bonds of said Borough and School District, but on the contrary has been lax and dilatory in the management of the finances of said Borough and School District, and has actively encouraged and counselled said Borough and School District officials to disregard the demands for payment of any amounts to bondholders and the levying of taxes for the payment of the past due funded indebtedness of said Borough and School District and this complainant judgment creditor, as evidenced by a letter dated February 18, 1936, from W. A. Stevens, special counsel to the Commission, to Walter S. Keown, county counsel, Camden County, copy of which is hereto attached, marked "Exhibit C" and made a part hereof, all in contravention of the statutes in such cases made and provided, being Section 35 of the Execution Act, 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law, being 4 Compiled Statutes of New Jersey, page 4804.

19. Complainant's judgment, described in paragraph 11 hereof, was ordered on December 2, 1935, and was made and entered on December 5, 1935. Execution thereon was issued December 24, 1935, and returned nulla bona on January 3, 1936, and petition for a writ of mandamus to compel the assessment levy and collection of taxes for the payment of complainant's judgment was filed February 14, 1936. Proofs have been taken on said petition but the matter has not yet been decided and will not be decided for some time. Meanwhile, and despite the pendency of Complainant's petition for said writ of mandamus, said Municipal Finance Commission has been and is insisting that the Borough Council of the Borough of Runnemede adopt and put into force and effect the budget certified to it by said Commission, and that taxes be levied and collected by the Board of Assessors and Tax Collector of said Borough in accordance with the budget certified to the Borough Council and the budget approved for the Board of Education, and said Borough Council, Board of Education, Tax Assessors and Collector are threatening to adopt and put into force and

effect the budgets certified by the said Commission or budgets of their own making, neither of which will provide for payment of Complainant's judgment or any part thereof.

20. The tax assessors and the tax collector of said Borough of Runnemede, New Jersey, acting at the direction of the Municipal Finance Commission, will not include in the tax levy for the current fiscal year the amount of complainant's judgment or any part thereof, unless compelled so to do by order of the Court, because of the functioning of the Municipal Finance Commission in said School District [fol. 20] of the Borough of Runnemede, New Jersey, pursuant to Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented.

21. If prior to a final determination of complainant's application for a writ of mandamus, the Borough Council and the Board of Education of the Borough of Runnemede, New Jersey, adopt and put into force and effect budgets which make no provisions for payment of complainant's judgment or any part thereof and the tax assessors and tax collector of said Borough levy and collect taxes in accordance with said budgets and without making provision in said levy for payment of complainant's judgment or any part thereof, as said Borough Council, Board of Education, and tax assessors and tax collector now threaten to do, and complainant is informed and believes will do, all because of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, and the functioning of the Municipal Finance Commission in said School District, complainant will suffer irreparable injury and damage and any writ of mandamus issued out of the District Court for the District of New Jersey will be inadequate and ineffectual to compel the officials of said Borough to levy and collect taxes for the payment of complainant's judgment or any part thereof during the current fiscal year of said School District, as a result of which complainant will be delayed and subjected to great additional expense and irreparably injured and damaged.

22. As a result of the enactment of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 195

and 258, Laws of New Jersey 1935, and amendments and supplements thereto, and the functioning of the Municipal Finance Commission in the School District of the Borough of Runnemede, New Jersey, a cloud of unenforceability has been publicly cast upon complainant's bonds, and the market value of complainant's bonds has been greatly depreciated, diminished and impaired, and it is impossible for complainant to sell or otherwise dispose of said bonds at their true value, and such a condition will continue to exist so long as said Commission continues to function in said School District. As a result, complainant has been, is and as long as said Commission continues to function in said School District will continue to be, irreparably damaged and injured.

23. As long as the Municipal Finance Commission continues to function in the School District of the Borough of Runnemede, New Jersey, and the constitutionality of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, are undetermined, said School District and the Board of Education thereof will make no payments on its past due bonds and coupons and will continue to default in the payment of principal and interest of said bonds as the same become due and payable and complainant will be forced to bring, repeatedly, separate actions at law and ancillary proceedings in mandamus as each instalment of principal and interest becomes due, which will cause and require a multiplicity of suits and the value of said bonds and coupons will be and become greatly depreciated and impaired and complainant is and will be irreparably damaged and injured.

24. At the time of the issuance of complainant's bonds the laws of New Jersey provided that taxes levied and assessed upon property within said State should be paid in lawful money of the United States only, and complainant's judgment and bonds are so payable.

25. In and by the provisions of Chapter 330, Laws of New Jersey 1933, Section 6, as amended and supplemented, it is provided that the governing body of a municipality in which the Municipal Finance Commission is functioning is empowered to compromise and adjust the whole or any part of any special assessments or taxes delinquent to the

municipality and no claim of the municipality for taxes or assessments, and interest thereon, in excess of Five Hundred Dollars shall be compromised without the assent in writing of the said Commission.

26. The Board of Education of the Borough of Runnemede, New Jersey, has been in default in the payment of principal and interest on its bonds since on or about June 1, 1931.

[fol. 21] 27. At meetings of the Municipal Finance Commission acting in and for the Borough of Runnemede held January 31, 1936, and on February 14, 1936, said Commission assented in writing to resolutions of the Council of said Borough providing for the compromise of certain taxes and assessments by the acceptance of bonds, all as more fully appears from the minutes of said meetings of the Municipal Finance Commission, copies of which are attached to the bill of complaint, marked "Exhibit D", and made a part hereof.

28. Complainant owns no property in the Borough of Runnemede, New Jersey.

29. The compromise of past due taxes of said Borough is unlawful and illegal and the acceptance of bonds of said Borough in compromise of taxes of the Borough is unlawful and illegal in that as a result of such compromises and acceptances pursuant to the provisions and requirements of said Chapter 330, Laws of New Jersey 1933, Section 6, as amended and supplemented, the holders of bonds so accepted are given a preference over complainant and other bondholders who own no property in said Borough of Runnemede, New Jersey, and gives a preference to Borough bondholders over Board of Education bondholders, contrary to law, and complainant is irreparably injured and damaged thereby.

30. As a further result of such compromises and acceptances pursuant to the provisions and requirements of said statute, the security of complainant's bonds is impaired and the obligation of the contract in complainant's bonds is impaired, contrary to the provisions of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts.

31. An actual controversy exists between complainant and defendant Municipal Finance Commission as to the constitutionality and validity of Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 191, 195 and Section 17 of Chapter 258, Laws of New Jersey 1935, all as amended and supplemented, in that complainant contends that said statutes are unconstitutional and void as to bonds of the Board of Education of said School District, which bonds were issued prior to the enactment of said statutes, for the reason that said statutes stay the enforcement of bonds and judgments thereon while the Municipal Finance Commission of New Jersey is functioning in said school district, and are contrary to and in violation of the provisions of Article I, Section 10 of the Constitution of the United States which provides that no State shall pass any law impairing the obligation of contracts, and defendants contend that said statutes are valid and constitutional as to such bonds.

32. The Municipal Finance Commission was organized on or about June 11, 1931. Defendant Darby, Ex-officio Chairman, also holds the following State offices: State Auditor, Commissioner of Municipal Accounts, State Relief Council, and Chairman, State Funding Commission. Deponent is informed that Attorney General Wilentz never attends the meetings of the Commission but has designated an assistant, Theodore Backes, to act in his stead, and that State Tax Commissioner Martin attends personally only a few of the meetings of the Commission, being generally represented by an assistant, one Woolston. The Commission appoints an auditor for each of the municipalities in which it is functioning, sometimes designating a single auditor for more than one municipality, and these auditors appoint clerks who do the actual supervising of the municipality under the direction of the Auditor.

33. The Commission is functioning in twelve political subdivisions in this manner, but the actual functioning of the Commissioners is limited to merely fixing policies, and acting upon the recommendations of its auditors. Weekly meetings are held by the Commission, but the affairs of only a portion of the municipalities under its protection are discussed at any one meeting.

34. The purpose of the Municipal Finance Commission as testified to by Chairman Darby in "Edwin H. Barker et al.

[fol. 22] v. Township of North Bergen, et al.," as appears from the files and record in said cause in this Court, to which reference is prayed, bearing Cause No. E 5025, see page 72.

"A. I would say that the purpose or the function of the Municipal Finance Commission is to act in an advisory and supervisory capacity to municipalities which come under its jurisdiction."

35. Since the twelve municipalities have been under the control of the Commission no holders of bonds of any of the municipalities under its protection have received any payment on account of either defaulted principal or interest, notwithstanding the existence of funds available for that purpose, except by the purchase of bonds with trust monies, the acceptance of bonds in the payment of taxes, payment in connection with a refunding plan, or by just plain preferential payment, all as testified to by Chairman Darby in said cause above referred to, on page 75 et seq., as follows:

"Q. Now, have there been any payments to bondholders in any of the municipalities that have come under the jurisdiction of the Municipal Finance Commission?

A. Either principal or interest, or both?

Q. Well, start with principal.

A. My general answer to that would be No, on the theory that the Municipal Finance Commission is—one of its functions is to prevent that sort of thing. In other words, if a bondholder cannot be paid in full, then nobody gets paid.

Q. Anything?

A. There have been some exceptions. One of which is this school funding bond issue in North Bergen.

Q. Well, barring some very unusual case such as this resolution which was just read into the record by the Township Clerk, there have been no payments of principal to any bond holder or note holder in any of the twelve municipalities in which the Commission is functioning?

A. Generally speaking, that is true.

Q. And you so testified before the Securities & Exchange Commission?

A. Yes, sir.

Q. Now, have there been payments of interest to the bond or note holders in these twelve municipalities since the Commission——

A. The only one which I recollect is this school—the interest on the school funding issue of North Bergen.

Q. That is this particular resolution that was read?

A. I wasn't here when Mr. Beisch testified.

Q. Well, it is the resolution——

The Court: Let him read it. Take a recess for a minute and read it.

Q. That is the only exception that you know of?

A. There is another exception as in the Borough of Manville which was refunded and the interest that was paid was paid ratably and equitably to all.

The Court: At the time the interest was paid to the holders of these school bonds were there other bonds of the municipality in default?

The Witness: I think so, yes.

The Court: Upon what theory then was the payment approved by your Commission?

The Witness: On the theory of economy because the arrangement was that the bonds bore 6% interest and the holders of these bonds agreed to accept one coupon during the year for the full year's interest, in other words, accept 3%.

The Court: How could you say you were not giving a preference without first having marshalled all the assets?

The Witness: I cannot answer that.

Q. Well now, in the case of Manville was there any interest paid there before the refunding was completed?

A. Not to my recollection. Adjustment of interest was made upon the refunding.

[fol. 23] Q. Yes. Now, barring the exception of Manville, where interest was paid on the refunding plan being put through, and barring the payment of principal and interest on the school bonds of North Bergen, which are referred to in the resolution of the Township of December 5, and in the resolution of your Commission of December 7, has any interest been paid to any creditors of any of these twelve municipalities since the Commission began to function in them?

A. An arrangement was entered into with all the creditors of the Borough of Lavallette in which they agreed to accept ratably the amount of money which was available for the

payment, and also agreed to reduce the interest for 1935 to 4%.

Q. And have they been paid interest under that arrangement?

A. Not as yet.

Q. Well, I am dealing now with those who have been paid interest as distinguished from those where arrangements were made to pay interest in the future?

A. My recollection is that there aren't any others.

Q. Every one of these municipalities had funds on hand in their sinking fund and assessment fund and reserve fund, that might have been paid out to bondholders and note holder?

A. To a greater or less extent, yes."

36. That notwithstanding the adoption by the Commission on October 11, 1935 of a resolution determining to discontinue the practice of accepting bonds in payment of taxes, and the purchasing of bonds with sinking fund and trust fund monies, copy of which is hereto attached and marked "Exhibit D", the Commission did thereafter approve and permit the acceptance of bonds in settlement of taxes in the Borough of Runnemede in accordance with the proceedings of said Commission, copies of which are attached to the Bill of Complaint, marked "Exhibit C".

37. The Municipal Finance Commission is of the opinion that no bondholder should receive any money from a municipality under the protection of the Commission except in connection with a refunding plan approved by the Commission, and has aided and abetted such municipalities in accumulating monies, in some cases in substantial amounts, to induce bondholders to accept refunding bonds, all as sworn to by Chairman Darby in said Cause No. E 5025, see pages 121, 141 and 156, of the transcript of testimony in said cause, as follows:

(121)

"Q. Well, Mr. Darby, in this case does the Commission believe that the bonds [funds] should be impounded indefinitely until a refunding plan can be agreed upon?

Mr. Vanderbilt: May I have my objection noted, without burdening the record with the reasons?

The Court: Yes.

A. No, not indefinitely; but the funds, these funds, should be used in connection with a refinancing plan.

Q. Well, assuming that a refunding plan was despaired of, would the Municipal Finance Commission be prepared to direct the distribution of the bond funds?

A. I would say not.

Q. Well, why not, Mr. Darby?

A. Because there are questions involving the status of the creditors with respect to these funds, not only the bondholders but other creditors.

Q. How does the Commission think that those questions ought to be determined?

A. They should be determined by some court of competent jurisdiction.

Q. I understand that you would favor that only as a last resort.

A. Yes."

(141)

Q. That is, you believe that there must be some cash funds to be distributed to accomplish a refunding plan?

A. Yes; otherwise the creditors are not willing to accept a refunding plan, unless there is some cash involved in it.

Q. So that you believe that a distribution of these bond funds now would postpone a refunding of the municipality?

A. I certainly do.

[fol. 24] By the Court:

Q. Well, in no instance could these funds be turned over to anyone other than the individuals entitled to them.

A. No, your Honor.

Q. Then what difference would it make whether you pay them out now or in the future?

A. Well, I feel this, that it is both to the interest of the creditors and the municipality to bring the municipality out of a default under a plan by which that municipality may reasonably be expected to maintain its payments in the future."

(156)

"By the Court:

Q. Well, I gather from your testimony that the only reason why funds that have accumulated in these different

accounts are not disbursed to those entitled to them is that you feel that by holding them for a while the municipality will be in a better position to cause its creditors to agree upon a plan of refinancing.

A. Yes, sir.

Q. Is that correct?

A. That is correct.

Q. That would mean, would it not, in the last analysis, that what is being done is the withholding of these funds as a sort of a club over the heads of creditors until such time as they may be forced to come in by virtue of this holding out.

A. Some people look on it in that light, your Honor, but added to that, added to that so far as I am concerned, is this, that these funds come from several different sources."

38. Since the Municipal Finance Commission has been functioning in the twelve municipalities in New Jersey, no bondholder has been able to obtain any relief in the State or Federal Courts against any one of said municipalities with the single exception of a writ of mandamus issued by the Honorable Philip Forman, District Judge, United States District Court of the District of New Jersey, in Cause No. L-4581 which writ was vacated on appeal to the Circuit Court of Appeals of the Third Circuit. Actions have been filed by bondholders against the Township of North Bergen, under the protection of the Commission since 1931, and disposed of as follows:

L-4864—Action for judgment on defaulted bonds and coupons filed, summons issued	Dec. 10, 1934
Answer and equitable counterclaim filed	Jan. 10, 1935
Motion to strike answer and equitable counterclaimed filed	Feb. 1, 1935
Hearing on motion	Feb. 7, 1935
Amended complaint filed by stipulation	July 12, 1935
Order striking answer and entering summary judgment filed	Mar. 12, 1936
Execution issued	Mar. 26, 1936
Execution returned nulla bona	Apr. 23, 1936

E-5025—Bill of complainant in equity filed as a class suit asking injunction against purchasing bonds with trust monies, enjoining acceptance of bonds in payment of taxes, accounting of bond monies on hand and determination of bonds such monies are applicable to the payment of, and direction to pay such monies pro rata to the bonds entitled thereto filed	Dec. 18, 1934
Hearing on temporary injunction continued to February 4, 1935	Dec. 26, 1934
Hearing adjourned to Feb. 21, 1935 on	Feb. 7, 1935
Hearing continued on Feb. 21, 1935 and adjourned no fixed date	
Answer to Township filed	Mar. 6, 1935
Answer of Municipal Finance Commission filed	Mar. 29, 1935
Petition to intervene as plaintiff filed by several bondholders	May 2, 1935
Answer of Seaboard Trust Co. filed	May 24, 1935
Final hearing began Dec. 16, 1935, continued to Dec. 23, 1935	
Final hearing resumed and adjourned without day, briefs to be submitted	Dec. 23, 1935

[fol. 25] The net result of this extended litigation in connection with North Bergen's default is nil so far as monetary return to the bondholders is concerned, attention being called to the fact that the Court required from February 7, 1935 to March 12, 1936 to render a judgment on defaulted bonds and coupons, notwithstanding a decision of the Circuit Court (Central-Penn Bank v. Delaware Township hereinafter referred to) holding a similar answer and counterclaim as no defense to such an action, which decision was rendered August 1, 1935.

The hearings have not even been completed in the equity case, although the bill of complaint was filed December 18,

1934. The funds involved in the equity case aggregate in excess of $2,000,000.

Actions have been filed in this Court by bondholders against Asbury Park, under the protection of the Commission since March 7, 1935, and disposed of as follows:

L-4851—Complaint at law for judgment on defaulted bonds filed	Nov. 28, 1934
Judgment filed	Feb. 21, 1935
Execution issued	Mar. 4, 1935
Petition for writ of mandamus filed	Mar. 6, 1935
Hearings on petition	Mar. 8, 13, 15, 1935
Peremptory writ issued	Mar. 15, 1935
Assignment of Errors filed	Apr. 12, 1935
Appeal taken	
Stay of execution denied by Circuit Court	May 29, 1935
City officials cited for contempt	June 7, 1935
City officials adjudged in contempt	June 14, 1935
Execution of contempt order stayed by Circuit Court	July 3, 1935
Writ of mandamus vacated	July 22, 1935
Certiorari denied by Supreme Court	Oct. 21, 1935
New application for a writ of mandamus filed	Jan. 21, 1936
Hearings on application Feb. 7, 20, 21, 26, Mar. 16, 17, 18, 19, Apr. 2, 20, 21, 22 and May 15 and 16, 1936, decision reserved.	

To date there has been no decision of the Court on this second application.

E-5019—Bill of complaint in equity filed against Asbury Park to restrain the acceptance of bonds in payment of taxes on	Dec. 14, 1934
Order to show cause issued	Dec. 14, 1934
Final decree entered August 1935 but expired Jan. 1, 1936, no renewal.	

An action was filed by a bondholder for a judgment against the Township of Delaware under the protection

of the Commission since June 20, 1933, (Central-Penn Natl. Bank of Phila.) on defaulted bonds and coupons, and the history of that litigation is as follows:

Complaint filed, summons issued	Nov. 6, 1933
Answer and equitable counterclaim filed	Dec. 14, 1933
Motion to strike filed	Jan. 19, 1934
Hearing on motion to strike	Feb. 9, 1934
Memorandum filed by Court	Apr. 5, 1934
Order for judgment filed	Apr. 13, 1934
Assignment of Errors filed	July 5, 1934
Opinion of Circuit Court affirming	Aug. 1, 1935

Deponent is unaware of any effort on behalf of the bondholder in the above case to attempt to collect on the judgment rendered therein.

An action on defaulted bonds and coupons was filed in this Court by the Norfolk and Western Railway vs. the Township of Chester, under the protection of the Commission since Mar. 14, 1933, No. L-5013, and the proceedings thereon to date are as follows:

L-5013—Complaint filed, summons issued	Mar. 22, 1935
Answer and equitable counterclaim filed	Apr. 19, 1935
Motion to strike Answer and Counterclaim filed	May 13, 1935
Questions submitted on briefs	June 26, 1935
Memorandum by Court striking answer filed	Sept. 10, 1935
Judgment entered	Nov. 15, 1935
Execution issued	Dec. 24, 1935
Execution returned nulla bona	Jan. 3, 1935
Petition for peremptory writ of mandamus for tax levy to pay judgment filed, order to show cause issued	Feb. 14, 1936
Final hearing on order to show cause	Mar. 12, 1936

[fol. 26] The above case is now pending awaiting a decision of the District Court on the petition for the writ of mandamus.

Another action at law was filed in this Court by a group of bondholders for a judgment on defaulted bonds of the

Borough of Fort Lee, under the protection of the Commission since July 5, 1933, entitled Barker et al. v. Borough of Fort Lee, No. L-5202.

Complaint filed, summons issued	July 6, 1935
Affidavit of merits filed	July 17, 1935
Answer and equitable counterclaim filed	Aug. 1, 1935
Motion to strike answer and counterclaim filed	Sept. 4, 1935
Hearing on motion to dismiss	Sept. 9, 1935
Order striking answer and counterclaim and for judgment entered	Apr. 8, 1936

There has been no further attempt on the part of the judgment creditor to collect on this judgment.

The same group of bondholders filed a bill in equity to enjoin the Borough of Fort Lee from purchasing bonds with trust monies and accepting bonds in payment of taxes with the following result:

E-5239—Bill of complaint filed, order to show cause issued, returnable Sept. 9, 1935	July 22, 1935
Dismissed without prejudice	Nov. 18, 1935

The above case was dismissed by agreement, and by reason of the adoption of the resolution of the Municipal Finance Commission on October 11, 1935, hereto attached, "Exhibit E," which purported to change the policy of the Commission with respect to the purchase of bonds with trust funds and the acceptance of bonds in payment of taxes.

39. In all of the litigation outlined in paragraph 38, the Municipal Finance Commission has intervened and taken an active part, attempting to defeat the rendition of judgments on bonds of municipalities under the protection of the Commission, although there was no valid claim of illegality concerning the execution, issuance, sale and delivery of any of said bonds advanced in any of such litigation, the sole defense in all of said cases being that interposed by said Commission based upon the provisions of Article III-A of Chapter 340, P. L. 1931, as amended and supplemented.

40. In the litigation in connection with the defaults of the Township of North Bergen, the Municipal Finance Commission and the Township officials have met every court move of the bondholders with the presentation of refund-

ing plans, the first of such plans, dated December 26, 1934, having been ostensibly prepared by the Director of Finance of the Township, but, to the best of deponent's information and belief, with the assistance of one C. E. Rightor, then an employee of the Municipal Finance Commission, the second being a plan dated April 5, 1935 submitted by the Seaboard Trust Company of Hoboken, with the tacit approval of the Commission as evidenced by a resolution adopted by said Commission on the 21st day of June, 1935, copy of which is hereto attached, marked "Exhibit F," and made a part hereof, and the third, a plan which purports to have been prepared by a so-called Conciliation Committee of creditors appointed by the Commission, although said plan was actually drafted, according to deponent's information and belief, by one Russell, one of the counsel to the Commission, which plan is dated January 2, 1936, approved by the Commission by resolution of January 17, 1936, copy of which is hereto attached, marked "Exhibit G," and made a part hereof.

In the same manner this complainant was met at the hearing April 3, 1935, on complainant's petition for a writ of mandamus against the Borough of Runnemede, with a plan for refunding the indebtedness of the Borough and School District, dated March 1, 1936, drafted by the Commission.

Likewise, the complainant Norfolk & Western Railway in its action against Chester Township for a writ of mandamus was presented at the hearing on said petition March 12, 1936, with a refunding plan, dated February 3, 1936, prepared by the Commission.

In the Asbury Park litigation, the judgment creditors were met with a plan of refunding at the beginning of the [fol. 27] hearing on the petition for a writ of mandamus on February 7, 1936, which plan purports to have been prepared by the City officials, and which plan has not been either approved or disapproved by the Commission so far as the minutes of the Municipal Finance Commission on Asbury Park show. There is also in existence a plan of refunding for Asbury Park prepared by a different group of creditors, called the Rippel Committee, which has never been approved or disapproved by the Commission so far as the said minutes show.

In each instance, with the exception of the Asbury Park litigation, the refunding plans are urged upon the Court by counsel to the Commission as an additional reason for withholding the legal relief being sought by the bondholders, notwithstanding the fact that in no instance were the creditors asking for the relief consulted with respect to the preparation of the various plans, or had they consented thereto.

41. The continued interference of the Municipal Finance Commission in the fiscal affairs of the municipalities under the protection of said Commission, and the interference of said Commission in the litigation between said municipalities and the holders of bonds of such municipalities has resulted in a complete breakdown of the legal machinery provided by the Judicial Code enacted pursuant to the Constitution of the United States for the enforcement of contract obligations of New Jersey municipalities in the Courts of the United States, as evidenced by the fact that no municipal creditor has been able to collect any money on defaulted municipal obligations from any municipality under the protection of the Commission through the process of said Courts.

42. The inability of bondholders and judgment creditors of defaulted New Jersey municipalities to obtain relief in the Federal courts has been aggravated by a willingness on the part of the State courts of the State of New Jersey to assist such defaulting municipalities in forestalling the efforts of such creditors to enforce their obligations against such municipalities, as evidenced by the order of Supreme Court Justice Joseph B. Perskie, entered in connection with proceedings which placed the City of Asbury Park under the protection of the Commission, in which it appears that the primary purpose of placing that municipality under the protection of the Commission was to defeat an application for a writ of mandamus in the Federal Court made by judgment creditors to enforce the payment of a judgment against the City of Asbury Park on defaulted bonds and coupons of said City, copy of which order is hereto attached, marked "Exhibit H."

43. As a result of the inability of complainant and other bondholders to enforce the collection of any part of the

sums due on defaulted municipal bonds through the process of this Court, a cloud of unenforceability has been publicly cast upon the bonds of the Board of Education of the School District of Runnemede owned by complainant, as well as upon all bonds of New Jersey municipalities, and the market value of such bonds has been greatly depreciated, diminished and impaired, and great uncertainty exists in the minds of the holders of said bonds, and prospective purchasers thereof, as to the rights of bondholders with respect to the enforcement of the payment of the sums due on such bonds by the process of this Court, thus creating a legal question of great importance to the holders of millions of dollars worth of bonds of New Jersey municipalities.

John B. Dawson, Affiant.

Subscribed and sworn to before me this 8th day of June, 1936. Ruth I. White, Notary Public, Westchester County, Certificates filed in New York Co. Clerk's No. 6. Register's No. 8-W17. Commission Expires March 30, 1938.

[fol. 28] EXHIBIT "A" TO AFFIDAVIT

Minutes of the Municipal Finance Commission Meeting of February 28, 1936, Borough of Runnemede, Camden County

1. A regular meeting of the Municipal Finance Commission acting in and for the Borough of Runnemede was held in the office of the State Auditor on Friday, February 28th, with Commissioners Darby, Backes and Woolston present. Mr. Gary was also present.

10A. Whereas, the Municipal Finance Commission under date of February 7th, 1936 approved a budget for the Borough of Runnemede for the year 1936, and

10B. Whereas, this Commission has approved the reduction of certain items of appropriation as more particularly referred to in these minutes.

10C. Now, therefore, be it resolved, that the Municipal Finance Commission hereby approves the budget which fol-

lows herewith and is made part of this resolution, and be it further resolved, that this budget be spread in full in these minutes and certified to the Borough in accordance with Section 209 (A) of Chapter 340, P. L. 1931 as amended, and

10D. Be it further resolved, that the Secretary transmit a certified copy of these minutes to the Secretary of the Camden County Tax Board with a notice that the budget attached hereto and made part hereof shall be deemed the official budget of the Borough, all of which action shall be taken in accord with the section and act hereinabove referred to:

Borough of Runnemede

1936 Budget

Surplus revenue appropriated	None.
Miscellaneous revenues	
Licenses and permits	$1,400.00
Interest on delinquent taxes	4,000.00
Interest on assessments	1,500.00
Franchise tax	5,000.00
Gross receipts tax	700.00
Tax searches	100.00
Refund on water mains	1,239.36
Fines and Costs	200.00
5% Bus gross receipts tax	150.00
Dog licenses	362.55
	14,651.91
Amount to be raised by taxation	32,853.26
	$47,505.17

[fol. 29] Appropriations

Administrative and executive	$1,350.00
Assessment and Collection of taxes	2,775.00
Department of Finance	90.00
Police	3,520.00
Fire	1,350.00
Fire hydrant service	2,410.00
Health and charities	1,355.00
Public roads	3,075.00
Street lighting	4,000.00
Garbage collection	100.00
Elections	200.00

Appropriations—continued

Insurance	$1,150.00
Telephones	280.00
Contingent	100.00
Dog license expenses	88.00
N. J. League of municipalities	35.00
Expense of tax sale and foreclosures	900.00
Municipal Finance Commission	1,500.00
Audit	750.00
W. P. A. projects	750.00
Debt service	15,212.50
Deferred charges	6,398.67
Building Inspector	100.00
Water rent—theatre	16.00
	$47,505.17

11. Attention is directed to the fact that the budget approved by this Commission under date of February 7, 1936 permitted the reduction in certain deferred charges amounting to $12,273.14. These by direct action of the Commission were permitted to be included in the budget in the amount of $6,398.67 with the stipulation that the reduction in such deferred charges should not be effective unless the budget as approved by the Commission be adopted in full by the governing body, which stipulation still holds with respect to the adoption of the revised and amended budget hereinabove referred to.

11A. The Commission by motion duly made, seconded and carried affirmed the above stipulation.

12. On motion the meeting adjourned to Friday, March 20th at 10 o'clock A. M. at the office of the State Auditor, Room 125, State House, Trenton, N. J.

G. C. Skillman, Secretary.

EXHIBIT "B" TO AFFIDAVIT

Minutes of the Municipal Finance Commission Meeting of January 31, 1936, Borough of Runnemede, Camden County

1. A regular meeting of the Municipal Finance Commission acting in and for the Borough of Runnemede was held

in the office of the State Auditor on Friday, January 31st with Commissioners Darby and Woolston present. Mr. Gary was also present.

6. The School Budget of the Borough of Runnemede for the school year 1936-37 was taken up in detail. The Secretary reported that Mr. Bowman had contacted the Board of Education and reached a formal agreement with respect to said budget. The following resolution was, therefore, proposed by Commissioner Woolston, seconded by Commissioner Darby and adopted by a unanimous vote:

6A. Whereas it is the opinion of this Commission that the school budget as submitted by the Board of Education can be approved subject to certain changes and modifications.

[fol. 30] 6B. Now, Therefore, be it Resolved that the school budget of the Borough of Runnemede for the year 1936-37 be approved as follows: Current expenses $52,443.00 (a reduction of $1,000.00 from the figures transmitted by the Board of Education), Repairs and Replacements $920.00; Debt service not less than $15,455.00 or a total budget of $68,818.00.

6C. And be it Further Resolved that estimated receipts from State funds and appropriation balances totalling $23,120.66 be availed of (this being an increase of $1,000.00 over the figures submitted by the Board of Education), leaving the net amount to be raised for local school taxes $45,697.34.

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EXHIBIT "C" TO AFFIDAVIT

Feb. 18, 1936.

Re Sovereign Camp, Woodmen of the World, vs. Board of Education of the Borough of Runnemede, in the County of Camden

Hon. Walter S. Keown, Counsel, Camden County, West Jersey Trust Co. Bldg., Camden, New Jersey.

MY DEAR MR. KEOWN:

The Municipal Finance Commission of the State of New Jersey, Hon. Walter R. Darby, Chairman, has directed your letter of the 8th inst., written to Mr. George C. Skill-

The Board of Education of the Borough of Runnemede, pursuant to the provisions of Chapter 258 of the Laws of 1935 and proceedings taken by the Borough of Runnemede pursuant to the provisions of P. L. 1931, Chapter 340, as amended by P. L. 1933, Chapter 330, is operating under the protection of the acts referred to.

Suit was brought in the case above entitled and judgment obtained by the plaintiff against the School District and execution issued solely for the purpose, as I understand Mr. Vanderbilt, Counsel for plaintiff, of having the execution returned nulla bona and a foundation laid for application to the United States District Court for a writ of mandamus.

For your information, I beg to advise that the execution in question has since been returned nulla bona by the United States Marshal. On Friday last, February 14th, Mr. Vanderbilt applied to Judge Avis for the writ of mandamus and a rule to show cause was issued directed to the respondent, Board of Education, and its members and officers, ordering them to cause to be levied the amount of the judgment obtained with interest and costs, or show cause on March 12th next why the writ should not be issued.

Of course, under the provisions of the Municipal Finance Commission Act, we will defend and oppose the granting of a writ on the ground that in the admitted insolvency of the municipality and School Board no writ of mandamus should issue to prefer any one creditor as against all creditors, in accordance with the Municipal Finance Commission law. This problem has had to be met in similar proceedings taken by clients advised by Mr. Vanderbilt.

At the time of the issuance of the execution, I immediately got in touch with Mr. Henry M. Evans, Attorney for the School Board, and requested him in turn to get in touch with the County Tax Board and urge that because of the Municipal Finance Commission Act, the Board should decline to order the judgment raised in the manner requested by Mr. Vanderbilt.

I respectfully direct your attention to these statutes and in behalf of the Commission ask your cooperation in advising the County Tax Board, to the end that the Commission law may be adhered to and respected. It is our view that the provisions of the Tax Act, P. L. 1918, p. 864, insofar as they are inconsistent with the Municipal Finance Commission Act, are ineffective and inoperative in munici-

palities operating under the protection of the Municipal Finance Act.

Very truly yours, W. A. Stevens, Special Counsel.

WAS/B.

The above letter is certified to be a true and correct copy of a copy of a letter filed with me under date of February 19, 1936.

(Signed) G. C. Skillman, G. C. Skillman, Secretary.
(Seal.)

[fol. 31] EXHIBIT "D" TO AFFIDAVIT

Minutes of the Municipal Finance Commission Meeting of January 31, 1936, Borough of Runnemede, Camden County

1. A regular meeting of the Municipal Finance Commission acting in and for the Borough of Runnemede was held in the office of the State Auditor on Friday, January 31st with Commissioners Darby and Woolston present. Mr. Gary was also present.

* * * * * * *

7. Certified copy of resolution adopted by the Borough Council under date of December 28, 1935 was filed with this Commission and directed to be spread in full in these minutes:

Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender bonds Nos. 40, 41 and 42 of the Borough of Runnemede, being Temporary Improvement Bonds, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Prudential Insurance Co., Owner, Block 58, Lot 2A.
Thomas A. Dilley, Owner, Block 63, Lot 14.
Wallie H. Becker, Inc., Owner, Block 107, Lot 1C.

Francis Halsted, Owner, Block 60, Lot 10.
Marie C. Halsted, Owner, Block 60, Lot 13A.
Winfield Vandexter, Owner, Block 38, Lots 5-6-7.
Victory Building and Loan Association, Owner, Block 38, Lot 3.
Lewis Toof, Owner, Block 136, Lot 14.
Prudential Insurance Co., Owner, Block 48, Lot 2.
Harry W. Bealer, Inc Owner, Block 35, Lot 11A.

for the purpose of taking credit therefor in the sum of One Thousand Dollars each, being the principal of the said bonds, and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash.

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bonds Nos. 40, 41 and 42 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars each; with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, One Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

[fol. 32] Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Prudential Insurance Co., Owner, Block 58, Lot 2A

Balance Sidewalk		$237.33
1933 Taxes		95.20
1934 "		92.14
1935 "		97.92
Interest		36.39
Total		$558.98

Thomas A. Dilley, Owner, Block 63, Lot 14

Balance Sidewalk		$305.61
1933 Taxes		92.30
1934 "		110.76
¾ of 1935 Taxes	(Bal. Paid)	86.01
Interest		98.72
Total		$693.40

Wallie H. Becker, Inc., Owner, Block 107, Lot 16

1932 Taxes	$124.08
1933 "	128.40
1934 "	124.30
½ of 1935 Taxes	62.14
Interest	26.88
Total	$465.80

Marie C. Halsted, Owner, Block 60, Lot 13A

Balance Sidewalk	$127.37
Interest	24.66
Total	$152.03

Francis Halsted, Owner, Block 60, Lot 10

Balance Sidewalk	$57.19
Interest	5.20
Total	$62.39

Winfield Vandexter, Owner, Block 38, Lots 5-6-7

Balance Sidewalk	$466.99
1928 Taxes	36.80
1929 "	34.98
1930 "	34.18
Interest and cost of Sale	116.51
1931 Taxes	38.25
1932 "	51.48
1933 "	57.96
1934 "	56.09
Interest	161.00
Total	$1,054.24

Victory Building and Loan Association, Owner, Block 98, Lot 3

Balance Sidewalk	$62.40
1933 Taxes	104.60
1934 "	101.27
1935 "	106.56
Interest	22.54
Total	$397.37

Lewis Toof, Owner, Block 136, Lot 14

Balance Sidewalk	$74.54
Interest	1.48
Total	$76.02

Prudential Insurance Co., Owner, Block 48, Lot 2

Balance Sidewalk	$60.04
1933 Taxes	73.50
1934 "	139.57
1935 "	148.32
Interest	31.17
Total	$452.60

[fol. 33] Harry W. Bealer, Inc., Owner, Block 35, Lot 11A

1930 Taxes	$113.58
Interest and Cost of Sale 11/5/31	12.50
1931 Taxes	127.15
1932 "	187.20
1933 "	191.24

1934 Taxes	$185.09
1935 "	195.84
Interest	97.35
Total	$1,109.95

Summary—Total Amounts Due

Prudential Insurance Co., Owner, Block 58, Lot 2A	$558.98
Thomas A. Dilley, Owner, Block 63, Lot 14	693.40
Wallie H. Becker, Inc., Owner, Block 107, Lot 16	465.80
Francis Halsted, Owner, Block 60, Lot 10	62.39
Marie C. Halsted, Owner, Block 60, Lot 13A	152.03
Winfield Vandexter, Owner, Block 38, Lots 5-6-7	1,054.24
Victory Building & Loan Association, Owner, Block 98, Lot 3	397.37
Lewis Toof, Owner, Block 136, Lot 14	76.02
Prudential Insurance Co., Owner, Block 48, Lot 2	452.60
Harry W. Bealer, Inc., Owner, Block 35, Lot 11A	1,109.95
Total	$5,022.78

Amounts Due Prior to January 1, 1934

Prudential Insurance Co., Block 58, Lot 2A	$332.53
Thomas A. Dilley, Block 63, Lot 14	397.91
Wallie H. Becker, Inc., Block 107, Lot 16	252.48
Francis Halsted, Block 60, Lot 10	57.19
Marie C. Halsted, Block 60, Lot 13A	127.37
Winfield Vandexter, Block 38, 5-6-7	837.15
Victory Building & Loan Association, Block 98, Lot 3	167.00
Lewis Toof, Block 136, Lot 14	74.54
Prudential Insurance Co., Block 48, Lot 2	133.54
Harry W. Bealer, Inc., Block 35, Lot 11A	631.67
	$3,011.38

Total amount as per summary above	$5,022.78
Payment of the Borough of Runnemede Temporary Improvement Bonds, #40-41-42 dated November 1st, 1926, due November 1st, 1932, rate 5½% denomination of $1,000.00 each	3,000.00
Balance to be paid in cash on or before December 28th, 1935	$2,022.78

7A. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

7B. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above, each item being separately considered and individually acted upon by the Commission.

7C. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution, with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

[fol. 34] 7D. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

7E. Be it Further Resolved that the assent hereinabove given is conditional upon all 1935 taxes being settled in full together with any accrued penalties thereon and further conditioned upon the first quarter of the 1936 taxes being paid in cash.

7F. On motion of Commissioner Woolston, seconded by Commissioner Darby, the foregoing resolution was adopted by a unanimous vote.

Minutes of the Municipal Finance Commission Meeting of February 14, 1936, Borough of Runnemede, Camden County

1. A regular meeting of the Municipal Finance Commission acting in and for the Borough of Runnemede was held in the office of the State Auditor on Friday, February 14th, with Commissioners Darby and Woolston present. Mr. Gary was also present.

* * * * * * *

4. Certified copy of resolution adopted by the Mayor and Council of the Borough of Runnemede whereby certain taxes were settled by the use of bonds was duly considered and Auditor Holcombe's report thereon reviewed. It was the opinion of the Commission that this resolution was formally considered as a transaction pending as of October 11th, 1935, it being reported by the Borough Treasurer that all settlements involved had been consummated on or before January 31, 1936.

Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender Bonds Nos. 43 and 44 of the Borough of Runnemede, being Temporary Improvement Bonds, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Irene E. Willets, Owner, Block 61, Lot 18.
Hedding Building and Loan Association, Owner, Block 51, Lot 8.
Hedding Building and Loan Association, Owner, Block 94, Lot 21.
Blackwood Building and Loan Association, Owner, Block 49, Lot 10.
Frank Haarlander, Owner, Block 139, Lot 6.
Frank Haarlander, Owner, Block 139, Lot 7.
Charles D. Bowers, Owner, Block 46, Lot 9.
First Mortgage Service Co., Owner, Block 42, Lot 16.
First Mortgage Service Co., Owner, Block 60, Lot 19.

for the purpose of taking credit therefor in the sum of One Thousand Dollars each, being the principal of the said bonds; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bonds Nos. 43

and 44 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1st, 1926, due November 1st, 1932 interest rate 5½ per centum, in the denomination of One Thousand Dollars each, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names [fol. 35] of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, one Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Dated February 5, 1936.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Irene E. Willets, Owner, Block 61, Lot 18

Balance Sidewalk	$47.80
1933 Taxes	88.20
1934 "	85.36
1935 "	90.72
Interest	39.57
Total	$351.65

Hedding Building and Loan Association, Owner Block 51. Lot 8

1932 Taxes	$20.49
1933 "	115.24
1934 "	111.57
1935 "	116.64
Interest	30.00
Total	$393.94

Hedding Building and Loan Association, Owner, Block 94, Lot 21

Interest to date of sale	$8.86
Balance Sidewalk	104.00
1932 Taxes	153.10
1933 "	164.80
1934 "	158.54
1935 "	168.48
Interest	101.06
Total	$858.84

Blackwood Building and Loan Association, Owner, Block 49, Lot 10

Balance Sidewalk	$253.73
1930 Taxes	48.54
Interest and cost of sale	19.97
1931 Taxes	108.55
1932 "	99.28
1933 "	103.20
1934 "	99.91
1935 "	102.24
Interest	120.68
Total	$956.10

Frank Haarlander, Owner, Block 139, Lot 6

1932 Taxes	$60.18
1933 "	81.92
1934 "	79.32
1935 "	80.64
Interest	40.61
Total	$342.67

[fol. 36] Frank Haarlander, Owner, Block 139, Lot 7

1931 Taxes	$10.76
1932 "	8.19
1933 "	9.24
1934 "	8.94
1935 "	10.08
Interest	8.41
Total	$55.62

Charles D. Bowers, Owner, Block 46, Lot 9

Interest and Cost of sale	$38.09
Balance Sidewalk	117.93
1932 Taxes	7.02
1933 "	8.12
1934 "	7.86
1935 "	8.64
Interest	18.52
Total	$206.18

First Mortgage Service Co., Owner, Block 42, Lot 16

Balance Sidewalk	$43.68
1933 Taxes	120.40
Interest	19.71
Total	$183.79

(1934-1935 Taxes Paid.)

First Mortgage Service Co., Owner, Block 60, Lot 19

Balance Sidewalk	$54.62
1933 Taxes	93.80
Interest	20.75
Total	$169.17

(1934-1935 Taxes Paid.)

Summary

	Total Amount Due	Due Prior to January 1, 1934
Irene E. Willets, Block 61, Lot 18	$351.65	$136.00
Hedding Building & Loan Association, Block 51, Lot 8	393.94	135.73
Hedding Building & Loan Association, Block 94, Lot 21	858.84	430.76
Blackwood Building & Loan Association, Block 49, Lot 10	956.10	633.27
Frank Haarlander, Block 139, Lot 6	342.67	142.10
Frank Haarlander, Block 139, Lot 7	55.62	28.19
Charles D. Bowers, Block 46, Lot 9	206.18	171.16

First Mortgage Service Co., Block 42, Lot 16	$183.79	$164.08
First Mortgage Service Co., Block 60, Lot 19	169.17	148.42
Total	$3,517.96	$1,989.71

Total amount as per summary above	$3,517.96
Payment of the Borough of Runnemede Temporary Improvement Bonds Nos. 43 and 44, dated November 1st, 1926, due November 1st, 1932, rate 5½% denomination of $1,000.00 each	2,000.00
Balance to be paid in cash on or before January 31st, 1936	$1,517.96

4A. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

4B. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above, each item being separately considered and individualy acted upon by the Commission.

4C. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolu-
[fol. 37] tion; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

4D. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

4E. Be it Further Resolved that the assent hereinabove given is conditional upon the first quarter of the 1936 taxes being paid in cash.

4F. On motion of Commissioner Woolston, seconded by Commissioner Darby, the foregoing resolution was adopted by a unanimous vote.

EXHIBIT "E" TO AFFIDAVIT

Extract from Minutes of a Special Administrative Meeting of the Municipal Finance Commission Held on October 11, 1935

Resolution

Whereas, the Municipal Finance Commission, after due deliberation and consideration of the many phases of the problem, has concluded that the acceptance by municipalities, under the control of the Commission, of bonds or notes of such municipalities in settlement, either in part or in whole, of tax or assessment indebtedness of taxpayers, and the purchase of the bonds or notes of such municipalities with Sinking Fund or Reserve Fund moneys or other moneys dedicated by law to the outstanding indebtedness of said municipalities subjects the municipalities to the challenge that it creates a preference and dissatisfaction as between its creditors leading to expensive litigation:

Be it, therefore, resolved by the Municipal Finance Commission that no further transactions, involving the acceptance by municipalities, under the control of the Commission, of bonds or notes of such municipalities in settlement, either in part or in whole, of tax or assessment indebtedness of taxpayers and/or the purchase of the bonds or notes of such municipalities with sinking fund or reserve fund moneys or other moneys dedicated by law to the outstanding indebtedness of said municipalities will be hereafter approved and assented to by this Commission; except with the approval of note and bondholders of the municipality.

Be it further resolved that nothing herein contained shall apply to pending proceedings not yet consummated.

Be it further resolved that the Secretary of this Commission be directed to forthwith forward a certified copy

hereof to the municipal clerks of the municipalities of the State in which the Municipal Finance Commission is functioning pursuant to the provisions of Chapter 340 of the Laws of 1931, as amended and supplemented.

The foregoing resolution was proposed by Commissioner Backes, second by Commissioner Woolston and adopted by a unanimous vote.

[fol. 38] IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

SUBPOENA AND RETURN—Filed July 8, 1936

To David T. Wilentz, Attorney General of the State of New Jersey; J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and Constituting the Municipal Finance Commission of the State of New Jersey; Earl Kircher, Conrad Weber and William G. Hirsch, Members of the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, Greeting:

We Command You, that you appear in manner and form required by law in our District Court of the United States for the District of New Jersey, as a Court of Chancery, within twenty days from date of service hereof upon you, to answer to a bill of complaint exhibited against you in our said Court by Sovereign Camp, Woodmen of the World, and to do further and receive what our said Court shall have considered in that behalf; and this you are not to omit, under the penalty that may fall thereon.

Witness the Honorable William Clark, Judge of said Court, this 30th day of June, 1936.

George T. Cranmer, Clerk, by Charles S. Chevrier, Deputy. (L. S.)

Memorandum

The defendant is to file his Answer or other Pleading in the suit, in the Clerk's Office, Trenton, N. J., on or before the twentieth day after service, excluding the day thereof, otherwise the bill may be taken pro confesso.

[fol. 39] Served the within Subpoena and Respond, Bill of Complaint and order to show cause upon Walter R. Darby, delivering to and leaving with him personally a copy thereof at Trenton in the District of New Jersey on the 1st day of July, 1936, and upon David T. Wilentz, by delivering to and leaving with him personally a copy thereof at New Brunswick in the district of New Jersey on the 1st day of July 1936, and upon J. A. Thayer Martin by delivering to and leaving with him a copy thereof at Newark, in the District of New Jersey, and on the 1st day of July 1936, and upon Earl Kircher, by *by* delivering to and leaving with him a copy thereof at Runnemede, in the District of New Jersey, and on the 20th day of July 1936, and upon Conrad Weber by delivering to and leaving with him a copy thereof at Runnemede, in the District of New Jersey and on the 20th day of July 1936, and upon William G. Hirsch, by delivering to and leaving with him a copy thereof at Runnemede, in the District of New Jersey on the 20th day of July 1936, and upon Albert W. Spencer, by delivering to and leaving with him personally a copy thereof at Runnemede, in the District of New Jersey on the 20th day of July 1936, Served the within Bill of Complaint and Order to Show Cause, upon Hon. Harold G. Hoffman, by delivering to and leaving with him personally a copy thereof at Trenton, in the District of New Jersey on the 1st day of July 1936, at the same time showing said persons this original with the seal of the Court attached and informing said persons of its contents.

William P. McDermitt, United States Marshal, by Cecil H. Brown, Deputy.

[File endorsement omitted.]

[fol. 40] In United States District Court

[Title omitted]

Order to Show Cause—Filed June 29, 1938

This matter being opened to the Court by Arthur T. Vanderbilt and John B. Dawson, Solicitors and of Counsel for complainant, and the Court having read the verified Bill of Complaint in the above entitled cause;

It is on this 29th day of June, 1936, Ordered that defendants show cause before this Honorable Court, at the United States District Courtrooms, Post Office Building, in the City of Trenton, New Jersey, on Thursday the 9th day of July, 1936, at the hour of 10:30 o'clock in the forenoon, (D. S. T.) or as soon thereafter as counsel can be heard, why said defendants, and each of them, should not be restrained and enjoined according to the prayer of this bill;

It is further Ordered that copies of the bill of complaint and this order which may be certified by solicitor of complainant shall be served on the defendants and Governor and Attorney General of the State of New Jersey at least five days prior to the date set for the hearing.

John Boyd Avis, United States District Judge.

[fol. 41] In United States District Court

[Title omitted]

Order of Continuance—Filed July 17, 1936

This matter coming on to be heard on the return day of an order to show cause issued herein and dated June 29, 1936, before a statutory court, in the presence of Arthur T. Vanderbilt, Esq., by Frederick W. Hall, Esq., solicitor of complainant and David M. Wood, Esq., of counsel with complainant, and of William A. Stevens, Esq., and B. L. Visscher, Esq., of counsel for defendants David T. Wilentz, J. H. Thayer Martin and Walter *D.* Darby, constituting the Municipal Finance Commission of the State of New Jersey and of Joseph Varbalow, Esq., by Harry Grossman Esq., of counsel for defendants Earl Kircher, Conrad Weber, William G. Hirsch and Albert W. Spencer, and an application having been made for a continuance by counsel for defendants, and the Court having heard and considered the arguments of counsel thereon and being of the opinion that said continuance should be granted on terms, and counsel for defendants having agreed to said terms hereinafter recited,

It is on this 17th day of July, 1936, Ordered that the return day of said order to show cause be and the same is hereby continued to a day to be fixed on condition that

defendants do not accept or approve the acceptance, until [fol. 42] the further order of this Court, of bonds of the Borough or School District of Runnemede in payment of current or delinquent taxes of said Borough and on further condition that counsel prepare and make ready this cause for final hearing, both as to pleadings and evidence, in order that said cause may be heard on final hearing as well as on application for interlocutory injunction by this Court on the date of the continued return day of the said order to show cause to be fixed and on further condition that said cause be so prepared and made ready for final hearing on or before September 15, 1936 and that application for the fixing of the said continued return day be made to this Court by counsel on or before September 15, 1936.

For the statutory court:

Philip Forman, United States District Judge.

On motion of William A. Stevens and Joseph Varbalow, of counsel for defendants.

We hereby consent to the form of this order.

Arthur T. Vanderbilt, Solicitor of Complainant. Wm. A. Stevens, of Counsel for Defendants David T. Wilentz, J. H. Thayer Martin, and Walter R. Darby, Constituting the Municipal Finance Commission of the State of New Jersey. Joseph Varbalow, of Counsel for Defendants Earl Kircher, Conrad Weber, William G. Hirsch and Albert W. Spencer.

Conformed by A. S. Davis, J. 9/9/36.

[fol. 43] IN UNITED STATES DISTRICT COURT

[Title omitted]

JOINT AND SEVERAL ANSWER OF THE DEFENDANTS, EARL KIRCHER, CONRAD WEBER AND WILLIAM G. HIRSCH, CONSTITUTING THE BOARD OF ASSESSORS OF THE BOROUGH OF RUNNEMEDE, NEW JERSEY, AND ALBERT W. SPENCER, AS TAX COLLECTOR OF THE BOROUGH OF RUNNEMEDE, NEW JERSEY—Filed August 1, 1938

The joint and several answer of the defendants Earl Kircher, Conrad Weber and William G. Hirsch, constitut-

ing the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, as Tax Collector of the Borough of Runnemede, New Jersey.

These defendants, citizens and residents of the State of New Jersey, answering the bill of complaint herein, say that:

Answer to First Count

1. Paragraph 1 is admitted.

2. These defendants admit the allegations in paragraph 2, but deny that this Court has jurisdiction and power to grant the relief prayed for as against these defendants.

3. Paragraphs 3, 4, 5, 6, 7 and 8 of the complaint are admitted.

4. Paragraph 9 is admitted, except that they say that the Statutes of New Jersey therein mentioned were amended by an act of the Legislature of the State of New Jersey [fol. 44] approved April 3, 1936, (N. J. P. L. 1936, pp. 134, 136), by adding thereto the following provision, inter alia:

"3. Article III-A of the act of which this act is an amendment is hereby amended by adding thereto a new section to be numbered and to read as follows:

'355. Upon the application of any creditor made upon notice to the municipality and the commission, the Supreme Court may vacate, modify or restrict any statutory stay contained in this article.' "

5. Paragraph 10 is admitted except that they say that the Statutes of New Jersey therein mentioned were amended by an act of the Legislature of the State of New Jersey, approved June 26, 1936 (N. J. P. L. 1936, p. —) and being Chapter 251, section d, by adding thereto the following provision, inter alia:

"(d) Upon the application of any creditor made upon notice to the School District and the Commission, the Supreme Court may vacate, modify or restrict any statutory stay contained in this Article".

6. Paragraphs 11 and 12 are admitted.

7. These defendants answering paragraph 13 of the complaint admit so much thereof as alleges demand for payment, refusal thereof, and the issuance of a writ of execution and return thereof, and deny the other allegations thereof.

8. Paragraph 14 is denied.

9. Paragraph 15 is denied. They further say that said Statutes of New Jersey, amended as set forth in paragraphs 4 and 5 of this answer, make adequate provision for the vacation, modification or restriction of the stay provided in the Statutes mentioned in paragraph 15 of the complaint. These defendants further say that said Statutes of New Jersey aforesaid, do not impair the obligations arising out of the contract created by the bonds underlying the judgment set forth in paragraph 12 of the complaint.

[fol. 45] 10. These defendants further answering paragraph 15 of the complaint say that the rights of the plaintiff as a judgment holder as set forth in paragraph 12 of the complaint, arose after the enactment of the laws referred to in paragraph 15 of the complaint, and are subject to the operation and provisions thereof.

11. These defendants further answering paragraph 15 of the complaint say that the Statutes therein referred to, provide to the plaintiff a remedy substantially equivalent and alike to that which the plaintiff had prior to the enactment thereof, and that said Statutes merely regulate the procedural steps for obtaining the same relief which the plaintiff had a right to prior to their enactment.

12. These defendants further answering paragraph 15 of the complaint say that the Statutes therein referred to, as amended and supplemented, were passed by the Legislature of the State of New Jersey in an exercise of the sovereign right of the State of New Jersey to protect the lives, health, morals, comfort and general welfare of its people, and that any and all rights of the plaintiff whether arising under the bonds underlying the judgment set forth in paragraph 12; or by virtue of the judgment set forth in paragraph 12, are subject to the exercise of such police power by the State of New Jersey.

13. Paragraph 16 is admitted, except that these defendants leave to this Court the interpretation of the decision

in the case of Hourigan vs. Township of North Bergen, therein referred to.

14. Paragraph 17 is denied, and these defendants repeat as part of the answer to paragraph 17, as though the same were herein fully and at length set forth, the answers heretofore set forth in paragraphs 9, 10, 11 and 12.

15. Paragraph 18 is admitted, except that they say that the Borough Council, the governing body of the Borough of [fol. 46] Runnemede, has no legal right or authority, and is under no obligation to impose or put in force any provision for the levy and collection of a special tax to pay plaintiff's judgment; that the Board of Education of the Borough of Runnemede is a separate and distinct corporate entity, imposing, levying and raising its own taxes for school purposes; that the tax budget for its scholl purposes was, prior to the bringing of this suit, and within the statutory period prescribed by the laws of the State, to wit, on February 9 last, duly adopted; that the tax rate of the Borough of local municipal purposes, school, county and state purposes was struck and fixed by the County Board of Taxation on April 24, 1936, as prescribed by the laws of the State, and the current tax bills mailed out and collections made in conformity therewith which, if plaintiff's prayer were permitted to prevail, would result in utter confusion and financial chaos in the municipality.

16. Paragraph 19 is denied.

17. Paragraph 20 is denied, except that these defendants admit such allegations as set forth the obtaining by plaintiff of a judgment, the return of execution thereon nulla bona, and the filing of a petition for a writ of mandamus. They deny that the mandamus action therein referred to will not be decided for some time, asserting that it will be decided in due course of judicial process, and that no stay or injunction was sought by the Municipal Finance Commission in connection with the mandamus proceedings referred to by said plaintiff in said paragraph 20 of said Count. They further say that the budgets of both the Borough and School District for the current year respectively of each were duly adopted as set forth in paragraph 15 of this answer, the tax rate for the Municipality and School District, and the County and State Taxes were fixed and determined, tax bills were sent out and in many instances paid in full, based upon

such tax rate, months prior to the relief sought by this bill of complaint.

[fol. 47] 18. Paragraphs 21, 22 and 23 are denied.

19. These defendants further answering the complaint say that the writ of execution referred to in paragraphs 12 and 13 of the complaint were not served at the time, in the manner and upon the persons required by law, and that by reason thereof the plaintiff is not entitled to the relief prayed for herein.

20. These defendants further say that the Borough of Runnemede is collecting on account of its annual tax budgets for local, state, county and school purposes, approximately forty per cent of its tax budget, and that any order of this court requiring the Borough of Runnemede to raise during the year 1936 the amount due the plaintiff on its judgment, would necessitate an increase in the tax rate of the Borough of Runnemede of not less than $1.00 upon each $100.00 of valuation, and that from the experience of the Borough of Runnemede in tax collections, these defendants say that the Borough of Runnemede would be unable to collect such additional tax and as a result thereof the collections on the amount of taxes levied for other purposes of the Borough would decrease, causing great disorder and confusion in the municipal functions of the Borough of Runnemede, New Jersey.

21. These defendants further answering the complaint herein say that the compliance by the plaintiff with the provisions of Section 35 of the Execution Act and Section 237 of the School Law referred to in paragraph 18 of the complaint, are conditions precedent to the right of the plaintiff herein to secure relief allowed by such sections, and that the plaintiff has failed to comply with the provisions of said sections, and by virtue thereof is not entitled to benefits thereof, and by reason thereof are not entitled to receive in this Court the relief prayed for.

[fol. 48] These defendants further answering, by way of defense in point of law arising upon the face of the bill of complaint, say that:

22. The bill of complaint does not allege a cause for equitable relief against these defendants or any or either of them.

23. Plaintiff is in laches by reason of its failure to reasonably assert the rights claimed in the bill of complaint.

24. Plaintiff has a complete and adequate remedy at law.

25. No injunction, in accordance with the prayers of the bill of complaint, is authorized by Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code) under which this Court of three judges was assembled and constituted, because this suit is not brought to suspend or restrain the enforcement, operation or execution of any Statute of the State of New Jersey by restraining the action of any officer of such State in the enforcement or execution of such Statute, or in the enforcement or execution of an order made by an administrative board or commission acting in and pursuant to the Statutes of said State.

26. This Court, assembled pursuant to the provisions of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code), has no power to enjoin defendants, Earl Kircher, Conrad Weber and William G. Hirsch, as the Board of Assessors, and Albert W. Spencer, Tax Collector, respectively, of the Borough of Runnemede, N. J. from assessment, levying and collecting any taxes in and for the said Borough of Runnemede for the fiscal year 1936, ordered levied pursuant to the Statutes of the State and local ordinances, without including plaintiff's judgment or such part [fol. 49] thereof as may finally be ordered in the mandamus proceedings now pending in the District Court of the United States for the District of New Jersey, because said defendants are not State officers within the meaning of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code).

27. This Court has no jurisdiction of the bill of complaint because the suit is in fact brought against the State of New Jersey by a citizen of another State in violation of the eleventh amendment of the Constitution of the United States.

28. Any injunction, if granted according to the prayers of the bill of complaint, would exceed the powers of this Court by interfering with the internal and local government and affairs of the State of New Jersey and one of its municipal subdivisions in violation of the tenth amendment of the Constitution of the United States.

29. The right to levy taxes in the Borough of Runnemede, New Jersey, is a sovereign power of the State of New Jersey, delegated by it to the Borough of Runnemede aforesaid, and has not been granted or delegated to the Government of the United States of America or any of the agencies or departments thereof, and this Court is without jurisdiction directly or indirectly, through the means of its processes or otherwise, to compel or control the exercise of the taxing powers by the Borough of Runnemede or any of the agencies thereof. This Court is, therefore, without jurisdiction to grant the relief prayed for in the complaint.

30. The rights of the plaintiff under the bonds, which were the basis of the judgment set forth in paragraph 12 of the complaint, merged in said judgment and by virtue of the entry of said judgment a new contract arose between the plaintiff and the Board of Education of the Borough of Runnemede as of December 5th, 1935, which was past the [fol. 50] date of the enactment of the laws referred to in paragraphs 15 and 16 of the complaint, and by reason thereof any and all rights which the plaintiff may have in the premises are subject to the operation and effect of said laws.

Answer to Second Count

31. These defendants repeat as part hereof as though the same were herein fully and at length set forth, all of the answers made by these defendants to paragraphs 1 to 19 both inclusive, of Count One of the complaint and paragraphs 19 to 21 both inclusive, of the answer to the first count.

32. These defendants have not sufficient knowledge or information as to the matter set forth in paragraph 2, whereon to found a belief.

33. Paragraphs 3, 4 and 5 are denied.

These defendants further answering Count Two of the complaint, by way of defense in point of law arising upon the face of the bill of complaint, say that:

34. Count Two of the complaint is multifarious in that, the rights of the plaintiff therein are predicated upon two different causes of action; one, as a holder of a judgment; and second, as a holder of unmatured bonds.

35. Count Two is prematurely instituted as to all bonds therein referred to, held by the plaintiff, upon which no judgment has been entered or which have not as yet matured.

36. Count Two is prematurely instituted as to the cause of action based upon the judgment set forth in paragraph 12 of the First Count in that, plaintiff has failed to comply with the provisions of Section 35 of the Execution Act of New Jersey, and Section 237 of the School Law of New Jersey, referred to in paragraph 18 of the complaint, which compliance is a condition precedent to the right of the plain-
[fol. 51] tiff to any relief.

37. The bill of complaint does not allege a cause for equitable relief against these defendants or any or either of them.

38. Plaintiff is in laches by reason of its failure to seasonably assert the rights claimed in the bill of complaint.

39. Plaintiff has a complete and adequate remedy at law.

40. No injunction, in accordance with the prayers of the bill of complaint, is authorized by Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code) under which this Court of three judges was assembled and constituted, because this suit is not brought to suspend or restrain the enforcement, operation or execution of any Statute of the State of New Jersey by restraining the action of any officer of such State in the enforcement o execution of such Statute, or in the enforcement or execution of an order made by an administrative board or commission acting in and pursuant to the Statutes of said State.

41. This Court, assembled pursuant to the provisions of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code), has no power to enjoin defendants, Earl Kircher, Conrad Weber and William G. Hirsch, as the Board of Assessors, and Albert W. Spencer, Tax Collector, respectively, of the Borough of Runnemede, N. J., from assessing, levying and collecting any taxes in and for the said Borough of Runnemede for the fiscal year 1936, ordered levied pursuant to the Statutes of the State and local ordinances, without including plaintiff's judgment or such part thereof as may finally be ordered in the mandamus proceedings now pending in the District Court of the United
[fol. 52] States for the District of New Jersey, because said

defendants are not State officers within the meaning of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code).

42. This Court has no jurisdiction of the bill of complaint because the suit is in fact brought against the State of New Jersey by a citizen of another State in violation of the eleventh amendment of the Constitution of the United States.

43. Any injunction, if granted according to the prayers of the bill of complaint, would exceed the powers of this Court by interfering with the internal and local government and affairs of the State of New Jersey and one of its municipal subdivisions in violation of the tenth amendment of the Constitution of the United States.

44. The right to levy taxes in the Borough of Runnemede, New Jersey, is a sovereign power of the State of New Jersey, delegated by it to the Borough of Runnemede aforesaid, and has not been granted or delegated to the Government of the United States of America or any of the agencies or departments thereof, and this Court is without jurisdiction directly or indirectly, through the means of its processes or otherwise, to compel or control the exercise of the taxing powers by the Borough of Runnemede or any of the agencies thereof. This Court is, therefore, without jurisdiction to grant the relief prayed for in the complaint.

45. The rights of the plaintiff under the bonds, which were the basis of the judgment set forth in paragraph 12 of the complaint, merged in said judgment and by virtue of the entry of said judgment a new contract arose between the plaintiff and the Board of Education of the Borough of Runnemede as of December 5th, 1935, which was past the date of the enactment of the laws referred to in paragraphs 15 [fol.53] and 16 of the complaint, and by reason thereof any and all rights which the plaintiff may have in the premises are subject to the operation and effect of said laws.

Answer to Count Three

46. These defendants answering Count Three of the Complaint repeat as part hereof as though the same were herein fully and at length set forth, the answer made by these defendants to paragraphs 1 to 19, both inclusive, of Count

One, and to paragraph 2 of Count Two, as well as paragraphs 19, 20 and 21 of this answer.

47. Paragraphs 2 and 3 are denied.

48. These defendants, further answering paragraph 3, say that, at the time of the issuance of plaintiff's bonds and at the time of the entry of plaintiff's judgment set forth in paragraph 12 of the complaint, the laws of the State of New Jersey provided that taxes and municipal levies, levied and assessed on property within said State, could be compromised and settled, and that such Statutes do not require the consideration of such settlements to be in cash.

49. Paragraphs 4, 5, 6 and 7 are admitted.

50. Paragraph 8 and 9 are denied.

These defendants further answering Count Three of the complaint, by way of defense in point of law arising upon the face of the bill of complaint, say that:

51. These defendants repeat as part hereof as though the same were herein fully and at length set forth, the allegations contained in paragraphs 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45 of this answer.

52. The complaint fails to set forth a cause of action in that, it fails to allege that the plaintiff is without a complete and adequate remedy at law.

Answer to Count Four

53. These defendants repeat as part hereof as though [fol. 54] the same were herein fully and at length set forth, the answers made by these defendants to paragraphs 1 to 19, both inclusive, of Count One of the complaint, and to paragraph 2 of Count Two of the complaint as well as answer set forth in paragraphs 19, 20 and 21 of this answer.

54. Paragraph 2 is denied.

These defendants further answering Count Four of the Complaint, by way of defense in point of law arising upon the face of the bill of complaint, say that:

55. These defendants repeat as part hereof as though the same were herein fully and at length set forth, the allegations contained in paragraphs 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45 of this answer.

56. The complaint fails to set forth a cause of action in that, it fails to allege that the plaintiff is without a complete and adequate remedy at law.

Wherefore, these defendants jointly and severally pray that the complaint be dismissed with costs.

Joseph Vabalow, Solicitor for and of Counsel with Defendants, Earl Kircher, Conrad Weber and William G. Hirsch, Constituting the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, as Tax Collector of the Borough of Runnemede, New Jersey.

[fol. 55] IN UNITED STATES DISTRICT COURT

[Title omitted]

ANSWER OF DEFENDANTS, DAVID T. WILENTZ ET AL.—Filed July 31, 1936

The joint and several answer of the defendants David T. Wilentz, Attorney General of the State of New Jersey, J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and constituting the Municipal Finance Commission of the State of New Jersey.

These defendants, for answer to the bill of complaint, say:

[fol. 56] Answer to Count One

1. Paragraph 1 is admitted.

2. These defendants admit such allegations contained in paragraph 2 of Count One of plaintiff's bill as are descriptive of the parties sought to be made defendants to this suit, but make further answer that this Honorable Court has no power, under Section 266 of the Judicial Code (Section 380, Title 28, U. S. Code), to issue the injunction prayed against the defendants, Earl Kircher, Conrad Weber, and William G. Hirsch, as and constituting the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, in their several official capacities.

3. Paragraphs 3 to 8, both inclusive, are admitted.

4. Paragraph 9 is admitted, except that they say that the Statutes of New Jersey therein mentioned were amended by an act of the Legislature of the State of New Jersey approved April 3, 1936 (N. J. P. L. 1936, pp. 134, 136), by adding thereto the following provision, inter alia:

"3. Article III-A of the act of which this act is an amendment is hereby amended by adding thereto a new section to be numbered and to read as follows:

'355. Upon the application of any creditor made upon notice to the municipality and the commission, the Supreme Court may vacate, modify or restrict any statutory stay contained in this article.' "

[fol. 57] 5. Paragraph 10 is admitted except that they say that the Statutes of New Jersey therein mentioned were amended by an act of the Legislature of the State of New Jersey, approved June 26, 1936 (N. J. P. L. 1936, pp. —) and being Chapter 251, section d, by adding thereto the following provision, inter alia:

"(d) Upon the application of any creditor made upon notice to the School District and the Commission, the Supreme Court may vacate, modify or restrict any statutory stay contained in this Article."

6. Paragraphs 11 and 12 are admitted.

7. Paragraph 13 is admitted, save that these defendants deny that a certified copy of the writ of execution has been served upon the Assessors of said Borough or upon the Tax Collector of said Borough, as stated in said paragraph of said complaint; and these defendants further deny that Section 35 of the Execution Act, being 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law, being 4 Compiled Statutes of New Jersey, page 4804, are in force and effect, or were in force and effect when this action was brought or when the bonds referred to in said complaint were issued. These defendants make further answer that Section 35 of the Execution Act, being 2 Compiled Statutes of New Jersey, page 2255, and Section 237 of the School Law, being 4 Compiled Statutes of New Jersey, page 4804, have been repealed by the enactment of the provisions of an act entitled "An Act for the assessment [fol. 58] and collection of taxes (Revision of 1918), P. L.

1918, C. 236, Sec. 505, p. 865, as amended by P. L. 1933, C. 266, Sec. 3, p. 713. These defendants further answer that all these acts hereinabove referred to in paragraph 7 of this answer are inapplicable to any municipality or school district where the Municipal Finance Commission is functioning.

8. Paragraph 14 is denied.

9. Paragraph 15 is denied: They further say that said Statutes of New Jersey, amended as set forth in paragraphs 4 and 5 of this answer, make adequate provision for the vacation, modification or restriction of the stay provided in the Statutes mentioned in paragraph 15 of the complaint.

10. As to paragraph 16 of Count One of plaintiff's bill of complaint, these defendants admit that such laws of New Jersey, as are therein referred to, were enacted after the issuance of the bonds now represented by plaintiff's judgment; and that the principles thereof staying proceedings in the State courts of the State of New Jersey for the satisfaction of judgments have been held to be constitutional and valid by the Court of Errors and Appeals of the State of New Jersey.

11. Paragraph 17 is denied.

12. Paragraph 18 is admitted, except that they say that the Borough Council, the governing body of the Borough of Runnemede, has no legal right or authority, and is under no [fol. 59] obligation to impose or put in force any provision for the levy and collection of a special tax to pay plaintiff's judgment; that the Board of Education of the Borough of Runnemede is a separate and distinct corporate entity, imposing, levying and raising its own taxes for school purposes; that the tax budget for its school purposes was, prior to the bringing of this suit, and within the statutory period prescribed by the laws of the State, to wit, on February 9 last, duly adopted; that the tax rate in the Borough for local municipal purposes, school, county and state purposes was struck and fixed by the County Board of Taxation on April 24, 1936, as prescribed by the laws of the State, and the current tax bills mailed out and collections made in conformity therewith; and that, if plaintiff's prayer were permitted to prevail, there would result utter confusion and financial chaos in the municipality; and further, that no proceedings have been instituted, or have as yet even been

contemplated with respect to next year's budget or tax levy for school purposes.

13. Paragraph 19 is denied, except that they say that said Municipal Finance Commission is a Board or Commission of the State of New Jersey functioning in the Borough and School District of Runnemede, created and established, and possessing the powers and duties conferred by an act entitled "An Act Concerning Municipal Finances," approved April 28, 1931, (N. J. P. L. 1931, p. 830) and the several amendments and supplements thereof, and an act entitled [fol. 60] "An Act to supplement an act entitled 'An Act to establish a thorough and efficient system of free public schools, and to provide for the maintenance, support and management thereof,' " approved October 9, 1903 (N. J. P. L. 1904, p. 5).

14. Paragraph 20 is denied, except that these defendants admit such allegations as set forth the obtaining by plaintiff of a judgment, the return of execution thereon nulla bona, and the filing of a petition for a writ of mandamus. They deny that the mandamus action therein referred to will not be decided for some time, asserting that it will be decided in due course of judicial process, and that no stay or injunction was sought by the Municipal Finance Commission in connection with the mandamus proceedings referred to by said plaintiff in said paragraph 20 of said Count. They further say that the budgets of both the Borough and School District for the current year respectively of each were duly adopted as set forth in paragraph 9 of this answer, the tax rate for the Municipality and School District, and the County and State Taxes were fixed and determined, tax bills were sent out and in many instances paid in full, based upon such tax rate, months prior to the relief sought by this bill of complaint.

15. Paragraph 21 is denied.

16. Paragraph 22 is denied, except that they say that the Statutes of New Jersey provide that:

"Upon the application of any creditor made upon notice [fol. 61] to the municipality and the Commission, the Supreme Court may vacate, modify or restrict any statutory stay contained in this Article." (N. J. P. L. 1936, Art. III-A, Sec. 355, p. 134, 136) and (N. J. P. L. 1936, p. —, Ch. 251, paragraph 17, section d).

17. Paragraph 23 is denied.

Answer to Count Two

18. Paragraphs 1 to 13, both inclusive, of the answer to Count One of the complaint are repeated in answer to paragraph 1 of Count Two, with the same force and effect as though fully set forth herein.

19. Paragraph 2 is admitted.

20. Paragraphs 3, 4 and 5 are denied.

Answer to Count Three

21. Paragraphs 1 to 13, both inclusive, of the answer to Count One of the complaint and paragraph 19 of the answer to Count Two of the complaint are repeated in answer to paragraph 1 of Count Three, with the same force and effect as though fully set forth herein.

22. Paragraph 2 is admitted.

23. These defendants admit, as to paragraph 3 of Count Three, that at the time of the issuance of plaintiff's bonds, the Laws of the State of New Jersey provided that taxes levied and assessed upon property within such State should be paid in lawful money of the United States only, but make further answer that at the same time the Laws of the State of New Jersey permitted and allowed of compromise settle- [fol. 62] ments of sums due for taxes.

24. Paragraphs 4, 5, 6 and 7 are admitted.

25. Paragraphs 8 and 9 are denied. Further answering said paragraphs, these defendants say that since October, 1935, this Commission has refrained from lending its approval to the acceptance of bonds of the municipality in payment of past due taxes in every case presented to the Commission for approval save only in those instances in which the negotiations for such settlements were actually in the course of being negotiated at the time when (October 11, 1935) the Commission's Rule to decline approval was adopted, and excepting those cases in which unanimous consent of all bond creditors were secured favoring such settlement. The two instances referred to in paragraph 6 of Count Three were such exceptions, actually in course of being negotiated when the Commission's rule was adopted, and were permitted to be concluded for that reason. No other or further acceptance of bonds in payment of taxes

past due will secure these defendants' approval pending the settlement of the legal problem raised.

Answer to Count Four

26. Paragraphs 1 to 13, both inclusive, of the answer to Count One of the complaint and paragraph 19 of the answer to Count Two of the complaint are repeated in answer to paragraph 1 of Count Four, with the same force and effect, as though fully set forth herein.

27. Paragraph 2 is denied.

[fol. 63] Further answering, by way of defense in point of law arising upon the face of the Bill of Complaint, these defendants say:

First Separate Defense

The bill of complaint does not allege a cause for equitable relief against these defendants or any or either of them.

Second Separate Defense

Plaintiff is in laches by reason of its failure to seasonably assert the rights claimed in the bill of complaint.

Third Separate Defense

Plaintiff's bill is prematurely filed as to future budgets.

Fourth Separate Defense

Plaintiff has plain, adequate and complete remedies at law under the Laws of the State of New Jersey.

Fifth Separate Defense

Plaintiff has a plain, adequate and complete remedy at law under the Laws of the United States.

Sixth Separate Defense

No injunction, in accordance with the prayers of the bill of complaint, is authorized by Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code) under which this Court of three judges was assembled and constituted, because this suit is not brought to suspend or re-
[fol. 64] strain the enforcement, operation or execution of any Statute of the State of New Jersey by restraining the action of any officer of such State in the enforcement or execution of such Statute, or in the enforcement or execution of an order made by an administrative board or commission acting in and pursuant to the Statutes of said State.

Seventh Separate Defense

This Court, assembled pursuant to the provisions of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code), has no power to enjc defendants, Earl Kircher, Conrad Weber and William G. Hirsch, as the Board of Assessors, and Albert W. Spencer, Tax Collector, respectively, of the Borough of Runnemede, N. J., from assessing, levying and collecting any taxes in and for the said Borough of Runnemede for the fiscal year 1936, ordered levied pursuant to the Statutes of the State and local ordinances, without including plaintiff's judgment or such part thereof as may finally be ordered in the mandamus proceedings now pending in the District Court of the United States for the District of New Jersey, because said defendants are not State officers or a State Board or Commission within the meaning of Section 266 of the Federal Judicial Code (Section 380, Title 28, U. S. Code).

Eighth Separate Defense

This Court has no jurisdiction of the bill of complaint because the suit is in fact brought against the State of New [fol. 65] Jersey by a citizen of another State in violation of the eleventh amendment of the Constitution of the United States.

Ninth Separate Defense

Any injunction, if granted according to the prayers of the bill of complaint, would exceed the powers of this Court by interfering with the internal and local government and affairs of the State of New Jersey and one of its municipal subdivisions in violation of the tenth amendment of the Constitution of the United States.

Wherefore, these defendants, jointly and severally, pray that the complaint be dismissed with costs.

(S.) William A. Stevens, Solicitor and of Counsel for Defendants, David T. Wilentz, Attorney General of the State of New Jersey, J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and constituting the Municipal Finance Commission of the State of New Jersey. E. J. Dimock, Arnold Frye, Barent L. Visscher, of Counsel.

[fol. 66] IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

In Equity. E-5515

SOVEREIGN CAMP, WOODMEN OF THE WORLD, Complainant,

vs.

DAVID T. WILENTZ, Attorney General of the State of New Jersey; J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and Constituting the Municipal Finance Commission of the State of New Jersey; Earl Kircher, Conrad Weber and William G. Hirsch, Members of the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, Defendants

On Bill for Injunction, etc.

Arthur T. Vanderbilt, for Complainant.
William A. Stevens, for Municipal Finance Commission.
E. J. Dimock, B. L. Visscher and Arnold Frye, of Counsel.
Joseph Varbalow, for Members of Board of Assessors and Tax Collector of the Borough of Runnemede.
Harry Grossman, of Counsel.

Before Davis, Circuit Judge, and Avis and Forman, District Judges

OPINION—Filed March 21, 1938

[fol. 67] AVIS, District Judge:

The bill of complaint in this cause contains four counts; the first, in general, alleging that the School District of Runnemede, New Jersey, is coterminous with the Borough of Runnemede, a municipal corporation of the State of New Jersey, and that complainant is the owner and holder of a final judgment, in the amount of $21,776 21, entered in this court on December 5, 1935, against the Board of Education of said Borough on certain bonds then matured, and

overdue coupons held by said complainant and unpaid; that execution was issued on said judgment, served by the United States Marshal on the officers of said Borough as required by law, and returned nullo bona on January 5, 1936; that the officers of said Borough have failed and neglected to provide for the payment of said judgment in accordance with the statutes of the State of New Jersey and to make an assessment upon the persons and property in said Borough to raise the money to satisfy said judgment and execution.

The first count of said bill further alleges that a mandamus proceeding is pending in this court, which is undetermined.

It is alleged that the failure and refusal of the officers of said Borough to make said assessment and levy is based upon the fact that said School District is and has been under the control of the Municipal Finance Commission of the State of New Jersey, under the statutes of said State; and in accordance with the provisions of said statutes no judgment, levy or execution against such School District, or property thereof shall be enforced until otherwise specially ordered by the Supreme Court of the State of New Jersey, or a Justice thereof, after notice to the Commission, &c.

It is further alleged that the statute authorizing the said [fol. 68] Commission was passed and approved after the issue of the bonds and coupons, the basis of the judgment so held by the complainant.

The prayers of this count are:

(a) That subpoena issue.

(b) That defendant Municipal Finance Commission be restrained from functioning in said School District.

(c) That said Commission be temporarily restrained.

(d) That this court adjudge and declare Chapter 330, Laws of 1933, and Chapters 195 and 258, Laws of 1935, as amended and supplemented, unconstitutional and void insofar as they attempt to affect the enforceability of complainant's bonds and judgment by staying proceedings for the enforcement thereof.

(e) That the assessing and collecting officers of said Borough be restrained from assessing, levying or collecting any taxes in said Borough for the year 1936, without including the amount due on complainant's judgment.

(f) That it be adjudged and declared that complainant's right to collect is governed solely by Section 35 of the Execution Act and Section 237 of the School Laws of New Jersey, as cited in the bill of complaint.

(g) Other and further relief as may be equitable and just.

The second count embodies all of the allegations of fact and law contained in the first count; alleges that it owns bonds of the School District of Runnemede, dated June 1, 1930, numbered 9 to 78, inclusive, in the amount of $1000 each, with the interest coupons attached; the principal of said bonds accruing serially, and that by reason of the enactment of the statutes relating to the Municipal Finance Commission, which attempt to restrain the enforcement of any obligations of a municipality under the supervision [fol. 69] of said Commission, a cloud of unenforceability has been publicly cast upon complainant's bonds, and that by reason thereof complainant has been and will continue to be irreparably damaged.

The prayers in this count are:

(a) For subpoena.

(b) That the cloud be removed by restraint against defendants Wilentz, Martin and Darby, constituting the Municipal Finance Commission, and the Commission restrained from functioning in said School District.

(c) That temporary or interlocutory injunction and restraint issue.

(d) That the statutes creating the Municipal Finance Commission be declared unconstitutional and void as to complainant's bonds.

(e) That complainant's rights to compel a levy and collection of taxes is governed solely by the Execution Act and School Laws of the State of New Jersey.

(f) For other and further relief as may be equitable and just.

The third count realleges the facts and law as contained in the first count, and further alleges that the Commission has approved resolutions of the Borough providing for compromise of certain taxes and assessments due said Borough

by accepting bonds in payment thereof. Alleges that such action gives a preference; that the security of complainant's bonds is thereby impaired, all of which is in violation of the United States Constitution, to wit, Article I, Section 10.

The prayers are:

(a) For subpoena.

(b) That the Municipal Finance Commission be restrained from assenting to such compromises.

(c) That said Commission be restrained from author- [fol. 70] izing or assenting to the acceptance of any medium other than lawful money in payment of taxes.

(d) That the tax collector of the Borough be restrained from receiving payment of taxes, except from payment of full amount, interest and penalties.

(e) That said collector be restrained from accepting any medium in payment of taxes other than lawful money.

(f) That this court decree that Section 6 of Chapter 330, Laws of 1933, as amended and supplemented, to be unconstitutional and void as to complainant's judgment and bonds, as being contrary to Article I, Section 10 of the United States Constitution.

(g) For other and further relief.

Count four realleges and reaffirms the facts and law alleged in the first count and in paragraph 2 of the second count, and is in the nature of an action for a declaratory decree as to the right of the complainant to make collection on its bonds and coupons because of the unconstitutionality of the stays contained in the Municipal Finance Commission Acts of the State of New Jersey.

Its prayers are:

(a) For subpoena.

(b) That this court hold, adjudge and declare that, as to the School District bonds issued prior to their enactment, the Municipal Finance Commission Acts of the State of New Jersey are unconstitutional and void, contrary to Article I, Section 10 of the United States Constitution.

(c) That the Commission be enjoined in the enforcement and execution of said statutes.

(d) That this court restrain the Commission and its members from functioning in the School District of the Borough of Runnemede.

[fol. 71] (e) For other and further relief.

The matter came before the Court originally on June 28, 1936, when it appeared that the validity of a State statute was challenged, requiring the convening of a Three Judge Court. Arrangements were made to convene such a court, and on the aforesaid date an order to show cause was issued, returnable on July 9, 1936, at Trenton.

On that date, after a hearing, it was agreed in open court that the defendants would not accept or approve the acceptance, until the further order of the court, of bonds of the Borough or School District of Runnemede in payment of current or delinquent taxes, and further that counsel would prepare for final hearing on or before September 15, 1936. Upon this agreement, no preliminary injunction was issued, and decision on all questions was postponed until final hearing.

Answer for all defendants was filed on August 1, 1936, and final hearing took place on October 29, 1936. On this date a stipulation of certain facts, signed by counsel for the respective parties, was filed, and some witnesses produced who gave their testimony.

Argument has been heard and briefs submitted.

From the testimony taken, and the stipulation filed, we find as facts:

(1) That the Borough of Runnemede is a municipal corporation of the State of New Jersey.

(2) That the Board of Education of the Borough of Runnemede is coterminous with the Borough of Runnemede.

(3) That on or about June 1, 1930 the Board of Education of the Borough of Runnemede issued and sold $78,000 school bonds, dated June 1, 1930, numbered 1 to 78, inclu- [fol. 72] sive, of the denomination of $1000 each, and bearing interest at the rate of five and one-quarter percent. per annum, payable semi-annually on the first days of June and December of each year; that complainant purchased all of said bonds; that the bonds were serial bonds, maturing in numerical order, $2000 on June first in each year 1932 to 1937, inclusive, and $3000 on June first in each year 1938

to 1959, inclusive; that on June 1, 1932, Numbers 1 and 2 of said bonds were paid; that the bonds thereafter maturing have not been paid, and that the interest on the remaining bonds, which became due on June 1, 1932, or at any subsequent date, has not been paid.

(4) That upon May 15, 1934, after a summary investigation, and upon application of the Borough of Runnemede, Frank T. Lloyd, Justice of the Supreme Court of the State of New Jersey, made and entered an order, in which it was determined that the Borough was unable to meet its obligations, and the Municipal Finance Commission was authorized and instructed to function in said borough with all the powers and duties conferred by the statute.

(5) That thereupon the said Commission commenced to function in said Borough, and has since that time so functioned with relation thereto, as well as with relation to the said Board of Education.

(6) That judgment on the overdue bonds, and the delinquent interest represented by the coupons upon which default had been made, was entered in this court in a suit brought by complainant on December 5, 1935 for the sum of $21,776.21.

(7) That execution was issued thereon, on December 24, 1935, directed to the Marshal of the District of New Jersey, which execution was in the usual form, and was returned by the said Marshal as served upon Gardner S. Driver, Secretary of the Camden County Board of Taxation, Albert W. [fol. 73] Spencer, Tax Collector of the Borough of Runnemede, and William G. Hirsch, Tax Assessor for said Borough.

(8) That Arthur T. Vanderbilt, counsel for complainant, on January 3, 1936, addressed a letter to Conwood (Conrad) Weber, Secretary, Board of Tax Assessments of said Borough, reciting the serving of the execution, and inquiring as to whether the Board of Assessors would assess and levy the amount due on the execution, and that no reply thereto was ever received.

(9) That the said Arthur T. Vanderbilt, counsel as aforesaid, also wrote and despatched a letter to the Secretary of the Camden County Board of Taxation, requesting information as to whether the said Board of Taxation would add the

amount due upon the execution to the amount certified by the taxing officials of said Borough, pursuant to Section 505 of P. L. 1918, Chapter 236. To this letter said Secretary replied, advising that the matter would be referred to his Board, and that said Board would probably refer the matter to the county solicitor. The county solicitor, on or about February 24, 1936, by letter, advised counsel for complainant that the Camden County Board of Taxation would not so add the amount, until the determination of the mandamus proceedings then pending.

(10) That the Board of Assessors failed and omitted to add the amount of said judgment to the moneys to be raised for the year 1936, and that one reason for said failure and omission was because the Municipal Finance Commission was functioning in the municipality, and that said assessors made no change in the rate as fixed by the county tax board; that the county tax board made no change to include the amount due on the execution because it had been advised by special counsel of the Municipal Finance Commission that litigation was then pending in the United States [fol. 74] District Court for the District of New Jersey as to the necessity of adding said additional amount.

(11) Although the evidence produced by complainant relating to the effect of the legislation claimed to be unconstitutional upon the value of municipal securities, is undisputed, it is not sufficient to establish the fact claimed by complainant that said legislation had publicly cast a cloud of unenforceability, or that by reason thereof the market value of complainant's bonds has been greatly depreciated.

Conclusions of law:

We are satisfied that, under the provisions of Section 266 of the Judicial Code (28 U. S. C. A. sec. 380), the issues raised in the pleadings in this cause have been legally presented to a Three-Judge Court, and that this Court, as constituted, has jurisdiction to dispose of the question of preliminary injunction, as well as the determination of the issues presented by the pleadings. All matters involved were, by stipulation and order, continued to final hearing, upon the agreement of defendants not to accept or approve acceptance of bonds in payment of current or delinquent taxes until the further order of the Court.

We hold that the members of the Municipal Finance Commission are proper, necessary and indispensable parties to the action because of the supervisory control which the act of the Legislature of the State of New Jersey gives them over the municipality in question; that as such members they are given authority to enforce the provisions of the act, and that such authority invests them with powers making it necessary that they should be party defendants for the enforcement of any decree that may be made in this action. This conclusion applies to all of the counts in the bill of complaint.

We also determine that the rights of the complainant [fol. 75] are not impaired or changed by reason of the fact that the judgment on bonds and coupons has been entered in this court, but that its rights are to be determined by the law in effect at the time the bonds were issued and the contract made.

We have examined the proofs and considered the argument and briefs submitted as to the relief prayed for in count one, and have concluded, without citing the many authorities presented on behalf of all parties, that the complainant is entitled to a decree adjudging and declaring Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, to be unconstitutional and void insofar as they affect the right of the complainant to enforce its judgment obtained and entered in this court, and that such enforcement shall be in accordance with the laws existing in the State of New Jersey at the time of the issuance and sale of the bonds in question, and the laws applicable are Section 35 of the Execution Act (2 Comp. Stats. p. 2256) and Section 237 of the School Law (4 Comp. Stats. 4804). The provisions of the Tax Act of 1918 did not, by implication, repeal the above mentioned laws, upon which the complainant relies. Such repeals are not favored, and the provisions of the various statutes are not materially inconsistent.

The defendants, members of the Municipal Finance Commission, will be restrained from functioning in the Borough of Runnemede, to the extent that such functioning may be inconsistent with the right of the complainant to enforce its execution in the manner herein stated.

The prayer to enjoin and restrain the Assessors of said Borough from assessing and levying the taxes, and the Collector from collecting the same, without including

therein the amount of complainant's judgment is denied, as [fol. 76] beyond the power of this Court, as well as unnecessary in view of the relief granted on other prayers.

We are not construing the provisions of the Municipal Finance Commission Acts of the State of New Jersey, its constitutionality or its effect, except as the stays therein contained affect the right of the complainant to enforce its judgment.

As to count two, we have determined as a fact that the complainant has not produced sufficient evidence to satisfy the Court that it should use the extraordinary remedy of injunction to restrain the members of the Municipal Finance Commission from functioning in the Borough of Runnemede, and the conclusions as to count one of the complaint give ample and sufficient protection for the collection of the balance of the bonds owned by complainant.

The necessity for an injunction under count three appears to be moot, if the Commission adheres to its present policy. However, it is apparent that settlement of taxes by the acceptance of bonds may materially interfere with the complainant in the collection of its judgment, and restraint will be granted enjoining the defendants from making settlement for taxes by any medium except in accordance with the laws of the State of New Jersey.

Count four is based upon, and asks for relief under, the Declaratory Judgment Act (28 U. S. C. A. sec. 400). An examination of the cases indicates that the complainant has an "actual controversy", under the provisions of that act, and is entitled to a decree of similar character to that granted herein with relation to count one, applicable to the remainder of complainant's bonds, if and when judgment may be entered thereon, or any portion thereof, in this court and execution issued.

Decree will be made in accordance with this opinion.

[fols. 77-78] In United States District Court

[Title omitted]

Order for Substitution of Attorney—Filed May 24, 1938

It appearing to the Court that Joseph Varbalow, Esq., Solicitor for and Harry Grossman, Esq., Of Counsel with

defendants, Earl Kircher, Conrad Weber and William G. Hirsch, members of the Board of Assessors and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, in the above entitled cause, consent hereto;

It is, on this 23- day of May, 1938, Ordered, that S. Lewis Davis, Esq., be and he is hereby substituted as Solicitor for the above named defendants and that Frank T. Lloyd, Esq., be and he is hereby substituted as Counsel with said defendants in the place and stead of said Joseph Varbalow, Esq., and Harry Grossman, Esq.

John Boyd Avis, U. S. District Judge, for the Court.

We consent to the entry of the foregoing Order.

Joseph Varbalow, Solicitor for and Harry Grossman, of Counsel with Earl Kircher, Conrad Weber and William G. Hirsch, Members of the Board of Assessors and Albert W. Spencer, Tax Collector of the Borough of Runnemede.

[fol. 79] IN UNITED STATES DISTRICT COURT

[Title omitted]

FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed June 6, 1938

From the testimony taken and the stipulation filed, we find as facts:

1. That the Borough of Runnemede is a municipal corporation of the State of New Jersey.

2. That the Board of Education of the Borough of Runnemede is coterminous with the Borough of Runnemede.

3. That on or about June 1, 1930, the Board of Education of the Borough of Runnemede issued and sold $78,000 school bonds, dated June 1, 1930, numbered 1 to 78, inclusive, of the denomination of $1,000 each, and bearing interest at the rate of five and one-quarter per cent (5¼%) per annum, payable semi-annually on the first days of June and December of each year; that complainant purchased all of said bonds; that the bonds were serial bonds, maturing in numerical [fol. 80] order, $2,000 on June first in each year 1932 to 1937,

inclusive, and $3,000 on June first in each year 1938 to 1959, inclusive; that on June 1, 1932, Numbers 1 and 2 of said bonds were paid; that the bonds thereafter maturing have not been paid, and that the interest on the remaining bonds, which became due on June 1, 1932, or at any subsequent date, has not been paid.

4. That on May 15, 1934, after a summary investigation, and upon application of the Borough of Runnemede, Frank T. Lloyd, Justice of the Supreme Court of the State of New Jersey, made and entered an order, in which it was determined that the Borough was unable to meet its obligations, and the Municipal Finance Commission was authorized and instructed to function in said Borough with all the powers and duties conferred by the statute.

5. That thereupon the said Commission commenced to function in said Borough, and has since that time so functioned with relation thereto, as well as with relation to the said Board of Education.

6. That judgment on the overdue bonds, and the delinquent interest represented by the coupons upon which default had been made, was entered in this court in a suit brought by complainant on December 5, 1935, for the sum of $21,776.21.

7. That execution was issued thereon, on December 24, 1935, directed to the Marshal of the District of New Jersey, which execution was in the usual form, and was returned by the said Marshal as served upon Gardner S. Driver, Secretary of the Camden County Board of Taxation, Albert W. Spencer, Tax Collector of the Borough of Runnemede, and William G. Hirsch, Tax Assessor for said Borough.

8. That Arthur T. Vanderbilt, counsel for complainant, [fol. 81] on January 3, 1936, addressed a letter to Conwood (Conrad) Weber, Secretary, Board of Tax Assessments of said Borough, reciting the serving of the execution, and inquiring as to whether the Board of Assessors would assess and levy the amount due on the execution, and that no reply thereto was ever received.

9. That the said Arthur T. Vanderbilt, counsel as aforesaid, also wrote and despatched a letter to the Secretary of the Camden County Board of Taxation, requesting informa-

tion as to whether the said Board of Taxation would add the amount due upon the execution to the amount certified by the taxing officials of said Borough, pursuant to Section 505 of P. L. 1918, chapter 236. To this letter said Secretary replied, advising that the matter would be referred to his Board, and that said Board would probably refer the matter to the county solicitor. The county solicitor, on or about February 24, 1936, by letter, advised counsel for complainant that the Camden County Board of Taxation would not so add the amount, until the determination of the mandamus proceedings then pending.

10. That the Board of Assessors failed and omitted to add the amount of said judgment to the moneys to be raised for the year 1936, and that one reason for said failure and omission was because the Municipal Finance Commission was functioning in the municipality, and that said assessors made no change in the rate as fixed by the county tax board; that the county tax board made no change to include the amount due on the execution because it had been advised by special counsel of the Municipal Finance Commission that litigation was then pending in the United States District Court for the District of New Jersey as to the necessity of adding said additional amount.

[fol. 82] 11. Although the evidence produced by complainant relating to the effect of the legislation claimed to be unconstitutional upon the value of municipal securities is undisputed, it is not sufficient to establish the fact claimed by complainant that said legislation has publicly cast a cloud of unenforceability, or that by reason thereof the market value of complainant's bonds has been greatly depreciated.

We make the following conclusions of law:

1. We are satisfied that, under the provisions of Section 266 of the Judicial Code (28 U. S. C. A. sec. 380), the issues raised in the pleadings in this cause have been legally presented to a Three-Judge Court, and that this Court, as constituted, has jurisdiction to dispose of the question of preliminary injunction, as well as the determination of the issues presented by the pleadings. All matters involved were, by stipulation and order, continued to final hearing, upon the agreement of defendants not to accept or approve ac-

ceptance of bonds in payment of current or delinquent taxes until the further order of the Court.

2. We hold that the members of the Municipal Finance Commission are proper, necessary and indispensable parties to the action because of the supervisory control which the act of the Legislature of the State of New Jersey gives them over the municipality in question; that as such members they are given authority to enforce the provisions of the act, and that such authority invests them with powers making it necessary that they should be party defendants for the enforcement of any decree that may be made in this action. This conclusion applies to all of the counts in the bill of complaint.

[fol. 83] 3. We also determine that the rights of the complainant are not impaired or changed by reason of the fact that the judgment on bonds and coupons has been entered in this Court, but that its rights are to be determined by the law in effect at the time the bonds were issued and the contract made.

4. We have examined the proofs and considered the argument and briefs submitted as to the relief prayed for in count one, and have concluded, without citing the many authorities presented on behalf of all parties, that the complainant is entitled to a decree adjudging and declaring Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, to be unconstitutional and void in so far as they affect the right of the complainant to enforce its judgment obtained and entered in this Court, and that such enforcement shall be in accordance with the laws existing in the State of New Jersey at the time of the issuance and sale of the bonds in question, and the laws applicable are Section 35 of the Execution Act (2 Comp. Stats. p. 2256) and Section 237 of the School Law (4 Comp. Stats. 4804). The provisions of the Tax Act of 1918 did not, by implication, repeal the above mentioned laws, upon which the complainant relies. Such repeals are not favored, and the provisions of the various statutes are not materially inconsistent.

5. The defendants, members of the Municipal Finance Commission, will be restrained from functioning in the Borough of Runnemede, to the extent that such functioning may

be inconsistent with the right of the complainant to enforce its execution in the manner herein stated.

6. The prayer to enjoin and restrain the Assessors of said Borough from assessing and levying the taxes, and the Col- [fol. 84] lector from collecting the same, without including therein the amount of complainant's judgment is denied, as beyond the power of this Court, as well as unnecessary in view of the relief granted on other prayers.

7. We are not construing the provisions of the Municipal Finance Commission Act of the State of New Jersey, its constitutionality or its effect, except as the stays therein contained affect the right of the complainant to enforce its judgment.

8. As to count two, we have determined as a fact that the complainant has not produced sufficient evidence to satisfy the Court that it should use the extraordinary remedy of injunction to restrain the members of the Municipal Finance Commission from functioning in the Borough of Runnemede, and the conclusions as to count one of the complaint give ample and sufficient protection for the collection of the balance of the bonds owned by complainant.

9. The necessity for an injunction under count three appears to be moot, if the Commission adheres to its present policy. However, it is apparent that settlement of taxes by the acceptance of bonds may materially interfere with the complainant in the collection of its judgment, and restraint will be granted enjoining the defendants from making settlement for taxes by any medium except in accordance with the laws of the State of New Jersey.

10. Count four is based upon, and asks for relief under, the Declaratory Judgment Act (28 U. S. C. A. sec. 400). An examination of the cases indicates that the complainant has an "actual controversy", under the provisions of that act, and is entitled to a decree of similar character to that granted herein with relation to count one, applicable to the [fol. 85] remainder of complainant's bonds, if and when judgment may be entered thereon, or any portion thereof, in this Court and execution issued.

Dated June 6, 1938.
For the Court.

John Boyd Avis, District Judge.

We hereby approve the foregoing findings of fact and conclusions of law as being in accordance with the opinion of the Court.

Arthur T. Vanderbilt, Solicitor for Complainant. William A. Stevens, Solicitor for Defendants, Wilentz, Martin and Darby, as and constituting the Municipal Finance Commission. S. Lewis Davis, Solicitor for Defendants, Kircher, Weber and Hirsch, Members of the Board of Assessors, and Spencer, Tax Collector, of the Borough of Runnemede.

[fol. 86] IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

In Equity. E-5515

SOVEREIGN CAMP, WOODMEN OF THE WORLD, Complainant,

vs.

DAVID T. WILENTZ, Attorney General of the State of New Jersey; J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and Constituting the Municipal Finance Commission of the State of New Jersey; Earl Kircher, Conrad Weber and William G. Hirsch, Members of the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, Defendants

On Bill for Injunction, etc.

FINAL DECREE—Filed June 6, 1938

This cause came on to be heard before this Court specially constituted under Section 266 of the United States Judicial Code on October 29, 1936 and was argued by counsel and thereupon, upon consideration thereof and the opinion of this Court thereon and special findings of fact and separate conclusions of law thereon having been filed,

It is Ordered, Adjudged and Decreed as follows:

With Respect to Count One of the Bill of Complaint:

I. In response to subdivision B of the prayers of Count One of the bill of complaint which prays that defendant

Municipal Finance Commission be permanently enjoined and restrained from functioning in the School District of the Borough of Runnemede, New Jersey,

[fol. 87] It is Ordered, Adjudged and Decreed that defendant Municipal Finance Commission be permanently enjoined and restrained from functioning in the Borough of Runnemede, New Jersey, to the extent that such functioning may be inconsistent with the right of the complainant to enforce its execution in the manner herein stated, but without prejudice to any of the powers or duties of the Municipal Finance Commission under the Municipal Finance Commission Act except as the stays therein contained affect the right of the complainant to enforce its judgment.

II. In response to subdivision D of the prayers of Count One of the bill of complaint which prays that this Court hold, adjudge and declare Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, to be unconstitutional and void insofar as they attempt to affect the enforceability of complainant's bonds and complainant's judgment by staying proceedings for the enforcement thereof,

It is Ordered, Adjudged and Decreed that Chapter 330, Laws of New Jersey 1933, and Chapters 195 and 258, Laws of New Jersey 1935, as amended and supplemented, are unconstitutional and void insofar as they affect the right of the complainant to enforce its judgment obtained and entered in this Court.

III. The prayer of subdivision E of Count One of the bill of complaint which prays that, in aid of the mandamus proceedings now pending, defendants Earl Kircher, Conrad Weber and William G. Hirsch, as the Board of Assessors, and Albert W. Spencer, Tax Collector, respectively, of the Borough of Runnemede, New Jersey, be enjoined and restrained from assessing, levying and collecting any taxes in and for said Borough for the fiscal year 1936 without [fol. 88] including therein the amount of complainant's judgment or such part thereof as may finally be ordered in the mandamus proceedings now pending in the District Court of the United States for the District of New Jersey, is Denied.

IV. In response to subdivision F of the prayers of Count One of the bill of complaint which prays that this Court hold, adjudge and declare that complainant's rights to compel a

levy and collection of taxes for the satisfaction of its judgment are governed solely by Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2256, and Section 237 of the School Law of New Jersey, being 4 Compiled Statutes of New Jersey, page 4804.

It is Ordered, Adjudged and Decreed that the enforcement of complainant's judgment shall be in accordance with the laws existing in the State of New Jersey at the time of the issuance and sale of the bonds in question, and the laws applicable are Section 35 of the Execution Act (2 Comp. Stats. p. 2256), and Section 237 of the School Law (4 Comp. Stats. p. 4804), and that the said sections were not repealed by the provisions of the Tax Act of 1918.

With Respect to Count Two of the Bill of Complaint:

V. The prayer of subdivision B of Count Two of the bill of complaint which prays that this Court remove the cloud upon the enforceability of complainant's bonds and prevent a multiplicity of suits by permanently enjoining and restraining defendants Wilentz, Martin and Darby, as and constituting the Municipal Finance Commission, from functioning in the School District of the Borough of Runnemede, New Jersey, is Denied.

[fol. 89] VI. The prayer of subdivision D of Count Two of the bill of complaint which prays that this Court hold, adjudge and declare Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapter 195 and Section 17 of Chapter 258, Laws of New Jersey 1935, all as amended and supplemented, to be unconstitutional and void as to complainant's bonds, as being contrary to Article I, Section 10 of the Constitution of the United States providing that no State shall pass any law impairing the obligation of contracts, is Denied as unnecessary in view of the relief granted with respect to Count One.

VII. The prayer of subdivision E of Count Two of the bill of complaint which prays that this Court hold, adjudge and declare that complainant's rights to compel a levy and collection of taxes for the satisfaction of its judgment are governed solely by Section 35 of the Execution Act of New Jersey, being 2 Compiled Statutes of New Jersey, page 2256, and Section 237 of the School Laws of New Jersey,

being 4 Compiled Statutes of New Jersey, page 4804, is Denied as unnecessary in view of the relief granted with respect to Count One.

With Respect to Count Three of the Bill of Complaint:

VIII. In response to subdivisions B, C, D, E and F of the prayers of Count Three of the bill of complaint which pray that defendant Municipal Finance Commission be permanently enjoined and restrained by injunction from assenting to the compromising of delinquent taxes due and owing to the Borough of Runnemede, New Jersey, for an amount less than the full amount due thereon, that defendant Municipal Finance Commission be permanently enjoined and re- [fo. 30] strained by injunction from authorizing or assenting to the acceptance of any medium other than lawful money in payment of taxes now or hereafter to become due and owing to the Borough of Runnemede, New Jersey, that defendant Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, be permanently enjoined and restrained by injunction from receiving payment of taxes and giving a receipt of payment in full and showing payment in full on the tax books and records of the Borough of Runnemede, New Jersey, except upon payment of the full amount, principal, interest at the legal rate, and penalties, that defendant Albert W. Spencer, Tax Collector of the Borough of Runnemede, New Jersey, be permanently enjoined and restrained by injunction from accepting any medium other than lawful money in payment of taxes now or hereafter to become due and owing to the Borough of Runnemede, New Jersey, and that this Court hold, adjudge and declare Section 6 of Chapter 330, Laws of New Jersey 1933, as amended and supplemented, to be unconstitutional and void as to complainant's judgment and bonds, as being contrary to Article I, Section 10 of the Constitution of the United States providing that no State shall pass any law impairing the obligation of contracts,

It is Ordered, Adjudged and Decreed that acceptance of bonds in settlement of taxes may materially interfere with the complainant in the enforcement of its judgment, and that defendants be and they hereby are enjoined from making settlement for taxes due and owing to the Borough of Runemede, New Jersey, by any medium except in accordance with the laws of the State of New Jersey.

[fol. 91] With Respect to Count Four of the Bill of Complaint:

IX. In response to subdivision B of the prayers of Count Four of the bill of complaint which prays that this Court hold, adjudge and declare that, as to school district bonds issued prior to their enactment, Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 191, 195 and 258, Laws of New Jersey 1935, all as amended and supplemented, are unconstitutional and void as being contrary to Article I, Section 10 of the Constitution of the United States, which provides that no state shall pass any law impairing the obligation of contracts,

It is Ordered, Adjudged and Decreed that Sections 8 and 9 of Chapter 330, Laws of New Jersey 1933, and Chapters 191, 195 and 258, Laws of New Jersey 1935, all as amended and supplemented are, as to school district bonds held by complainant issued prior to their enactment, if and when judgment may be entered thereon or on any portion thereof in this Court and execution issued, unconstitutional and void insofar as they affect the right of the complainant to enforce such a judgment, as being contrary to Article I, Section 10 of the Constitution of the United States, which provides that no State shall pass any law impairing the obligation of contracts.

X. In response to subdivisions C and D of the prayers of Count Four of the bill of complaint which pray that this Court enjoin and restrain defendant Municipal Finance Commission in the enforcement and execution of said statutes and that this Court permanently enjoin defendants Wilentz, Martin and Darby from functioning in the School District of the Borough of Runnemede, New Jersey,

[fols. 92-93] It is Ordered, Adjudged and Decreed that defendant Municipal Finance Commission be permanently enjoined and restrained from functioning in the Borough of Runnemede, New Jersey, to the extent that such functioning may be inconsistent with the right of the complainant to enforce in the manner herein stated executions to be issued in this Court upon judgments entered upon such school district bonds, but without prejudice to any of the powers and duties of the Municipal Finance Commission under the Municipal Finance Commission Act except as the stays therein contained affect the right of the complainant to enforce such a judgment.

It is further Ordered that no party shall have costs against any other party.

Dated June 6, 1938.

For the Court.

John Boyd Avis, United States District Judge.

On motion of Arthur T. Vanderbilt, Solicitor of Complainant.

The above decree is approved as to form.

Arthur T. Vanderbilt, Solicitor of Complainant. William A. Stevens, Solicitor of Defendants, Members of the Municipal Finance Commission of the State of New Jersey. S. Lewis Davis, Solicitor of Defendants Assessors and Tax Collector of the Borough of Runnemede.

[fol. 94] SUPREME COURT OF THE UNITED STATES

[Title omitted]

PETITION FOR APPEAL—Filed August 29, 1938

To the Honorable Judges of the United States District Court for the District of New Jersey:

Conceiving themselves aggrieved by the final decree and judgment of the United States District Court for — District of New Jersey, made and entered in the above entitled cause on the 6th day of June A. D. 1938, the defendants therein appeal from said judgment to the Supreme Court of the United States.

The said final decree is greatly to the prejudice and injury of your petitioners and is erroneous and inequitable.

The errors upon which your petitioners claim to be entitled to an appeal are more fully set out in the assignments of error and prayer for reversal, filed with the clerk pursuant to Rule 9 of the Rules of the United States Supreme [fol. 95] Court; and there has been likewise filed herewith a statement as to the jurisdiction of the Supreme Court of the United States as provided by Rule 12 of the Rules of the United States Supreme Court.

Wherefore, in order that your petitioners may obtain relief in the premises and have opportunity to show the

errors complained of, your petitioners pray for the allowance of an appeal in said cause to the Supreme Court of the United States agreeably to the statutes and rules of said Court in such cases made and provided, and that a proper order touching the security required of the petitioners may be made.

Dated, August 24, 1938.

William A. Stevens, Solicitor for Petitioners, David T. Wilentz, J. H. Thayer Martin and Walter R. Darby, as and constituting the Municipal Finance Commission. S. Lewis Davis, Solicitor for Petitioners, Earl Kircher, Conrad Weber, William G. Hirsch and Albert W. Spencer.

[fol. 96] SUPREME COURT OF THE UNITED STATES

[Title omitted]

ASSIGNMENTS OF ERROR—Filed August 29, 1938

And Now on this 29th day of August, A. D., 1938, came the defendants by their solicitors, William A. Stevens and S. Lewis Davis, and say that the decree entered in the above cause on the 6th day of June, A. D., 1938, is erroneous and unjust to defendants, because:

1. The said Court erred in assuming jurisdiction of the suit.

2. The said Court erred in assuming jurisdiction of the suit, under Section 266 of the Judicial Code.

3. The said Court erred in ruling in effect that complainant properly grounded its bill's jurisdiction averments on Section 266 of the Judicial Code.

4. The said Court erred in ruling in effect that complain-
[fol. 97] ant was entitled to any relief, legal or equitable, under Section 266 of the Judicial Code.

5. The said Court erred in ruling in effect that complainant presented a proper cause of action, legal or equitable, for trial under Section 266 of the Judicial Code.

6. The said Court erred in permitting trial of the declaratory judgment action under Section 266 of the Judicial Code.

7. The said Court erred in granting any relief under Section 274-d of the Judicial Code.

8. The said Court erred in ruling in effect that complainant presented a proper cause of action, legal or equitable, for trial under Section 274-d of the Judicial Code.

9. The said Court erred in denying these defendants' motion to remit the suit for trial to a single judge of the United States District Court for the District of New Jersey.

10. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations of Count I of the bill of complaint.

11. The said Court erred in holding that the evidence introduced supported the demand for relief under Count I of the bill of complaint.

12. The said Court erred in not dismissing Count I of the bill of complaint.

13. The said Court erred in granting any of the prayers for relief under Count I of the said Bill of complaint.

14. The said Court erred in not dismissing Count II of the bill of complaint.

[fol. 98] 15. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations of Count III of the bill of complaint.

16. The said Court erred in holding that the evidence introduced supported the demand for relief under Count III of the bill of complaint.

17. The said Court erred in not dismissing Count III of the bill of complaint.

18. The said Court erred in granting any of the prayers for relief under Count III of the said bill of complaint.

19. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations of Count IV of the bill of complaint.

20. The said Court erred in holding that the evidence introduced supported the demand for relief under Count IV of the bill of complaint.

21. The said Court erred in not dismissing Count IV of the bill of complaint.

22. The said Court erred in granting any of the prayers for relief under Count IV of the bill of complaint.

23. The said Court erred in issuing any injunction or restraint against defendant Municipal Finance Commission, in answer to subdivision B of Count I of the bill of complaint.

24. The said Court erred in granting any relief in answer to subdivision B of the prayers of Count I of the bill of complaint.

25. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey, to [fol. 99] the extent that such functioning may be inconsistent with the right of complainant to enforce its execution in the manner stated in the Final Decree.

26. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from enforcing any stays contained in the Municipal Finance Commission Act in so far as the stays therein contained affect the right of complainant to enforce its judgment.

27. The said Court erred in failing to rule that the plaintiff had an adequate remedy at law to overcome any unconstitutional stays contained in the Municipal Finance Commission Act.

28. The said Court erred in failing to rule that the stays contained in the Municipal Finance Commission Act were constitutional.

29. The said Court erred in ruling, in answer to subdivision D of the prayers of Count I of the bill of complaint, that Chapter 330, Laws of New Jersey, 1933, and Chapters 195 and 258, Laws of New Jersey, 1935, as amended and supplemented, are unconstitutional and void.

30. The said Court erred in ruling, in answer to subdivision D of the prayers of Count I of the Bill of complaint, that Chapter 230, Laws of New Jersey, 1933, and Chapters 195 and 258, Laws of New Jersey, 1935, as amended and supplemented, are unconstitutional and void in so far as

they affect the right of the complainant to enforce its judgment obtained and entered in the United States District Court for the District of New Jersey.

31. The said Court erred in ruling, in answer to subdivision F of the prayers of Count I of the Bill of Complaint, that the enforcement of the complainant's judgment should [fol. 100] be in accordance with the laws existing in the State of New Jersey at the time of the issuance and sale of the bonds in question.

32. The said Court erred in ruling, in answer to subdivision F of the prayers of Count I of the bill of complaint, that the enforcement of complainant's judgment should be in accordance with and under the provisions of Section 35 of the Execution Act (2 Comp. Stats., p. 2256) and Section 237 of the School Law (4 Comp. Stats., p. 4804).

33. The said Court erred in ruling that Section 35 of the Execution Act (2 Comp. Stats., p. 2256) and Section 237 of the School Law (4 Comp. Stats., p. 4804) were not repealed by the provisions of the Tax Act of 1918.

34. The said Court erred in not denying subdivision D of the prayers under Count II of the bill of complaint completely and in their entirety.

35. The said Court erred in not denying subdivision E of the prayers of Count II of the bill of complaint completely and in their entirety.

36. The said Court erred in issuing any injunction or restraint against defendant Municipal Finance Commission in answer to subdivisions B, C, D, E and F of the prayers of Count III of the bill of complaint.

37. The said Court erred in granting any relief in answer to subdivisions B, C, D, E and F of the prayers of Count III of the bill of complaint.

38. The said Court erred in ruling in effect that acceptance of bonds in settlement of taxes may materially interfere with the complainant in the enforcement of its judgment.

39. The said Court erred in enjoining and restraining [fol. 101] defendants from making settlement for taxes due and owing to the Borough of Runnemede, New Jersey, by

any medium "except in accordance with the laws of the State of New Jersey".

40. The said Court erred in enjoining and restraining defendants from accepting bonds in settlement of taxes.

41. The said Court erred in granting any relief in answer to subdivision B of the prayers of Count IV of the bill of complaint.

42. The said Court erred in ruling that Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933, and Chapters 191, 195 and 258, Laws of New Jersey, 1935, all as amended and supplemented, are, as to school district bonds held by complainant issued prior to their enactment, as and when judgment may be entered thereon or on any portion thereof in the United States District Court for the District of New Jersey and execution issued, unconstitutional and void.

43. The said Court erred in ruling that Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933, and Chapters 191, 195 and 258, Laws of New Jersey, 1935, all as amended and supplemented, are, as to school district bonds held by complainant issued prior to their enactment, as and when judgment may be entered thereon or on any portion thereof in the United States District Court for the District of New Jersey, and execution issued, unconstitutional and void in so far as they affect the right of the complainant to enforce such a judgment.

44. The said Court erred in ruling that Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933, and Chapters 191, 195 and 258, Laws of New Jersey, 1935, all as amended and supplemented, are, as to school district bonds held by complainant issued prior to their enactment, as and when [fol. 102] judgment may be entered thereon or on any portion thereof in the United States District Court for the District of New Jersey, and execution issued, unconstitutional and void, as being contrary to Article I, Section 10 of the Constitution of the United States, which provides that no state shall pass any law impairing the obligation of contracts.

45. The said Court erred in granting any relief in answer to subdivisions C and D of the prayers of Count IV of the bill of complaint.

46. The said Court erred in issuing any permanent injunction or restraint against defendant Municipal Finance Commission in answer to subdivisions C and D of Count IV of the bill of complaint.

47. The said Court erred in anywise permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey.

48. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey, to the extent that such functioning "may be inconsistent with the right of the complainant to enforce in the manner herein stated executions to be issued in this Court upon judgments entered upon such school district bonds".

49. The said Court erred in ruling in effect in answer to subdivisions C and D of the prayers of Count IV of the bill of complaint that the stays contained in the Municipal Finance Commission Act affect the right of the complainant to enforce such a judgment.

50. The said Court erred in making said Final Decree granting said injunctions and restraints and in issuing said [fol. 103] Final Decree, in that it failed to recognize the laws of New Jersey as a matter of comity.

51. The said Court erred in making said Final Decree granting said injunctions and restraints and in issuing said Final Decree, in that it abused its discretion as to the making of said Final Decree and the issuing of said Final Decree, and made said Final Decree and issued said Final Decree arbitrarily and capriciously.

52. The said Court erred in failing to rule that the relators should be remitted to their remedies under the Municipal Finance Commission Act, i. e., Chapter 330 of the Laws of 1933 of the State of New Jersey, as amended and supplemented.

53. The said Court erred in granting an injunction under Section 266 of the Judicial Code against the acts of local municipal officers when there was no basis for an injunction against the acts of state officers.

54. The said Court erred in making said Final Order granting said Final Decree of injunction and restraint and

in issuing said Final Decree, in that it failed to recognize as a matter of comity the Municipal Finance Commission Act, i. e., Chapter 330 of the Laws of 1933 of the State of New Jersey, as amended and supplemented.

55. The said Court erred in making said Final Order granting said Final Decree of injunction and restraint and in issuing said Final Decree, in that it failed to follow the laws of the State of New Jersey as required by 28 U. S. C. A., Section 727, and Rule 40 of the General Rules of the District Court of the United States, District of New Jersey, adopted January 1, 1933, and effective as of that date.

[fol. 104] 56. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of discretion.

57. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of law.

58. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of right.

59. The said Court erred in making the Final Decree in said suit, dated the 6th day of June, 1938.

60. The said Court erred in issuing the Final Decree in said suit, dated the 6th day of June, 1938.

61. The said Court erred in ruling in effect that the terms of the said Final Decree in said suit, dated the 6th day of June, 1938, are reasonable and just in the light of the evidence.

62. The said Court erred in failing to strike out all testimony relating to the question of relative values of bonds of New Jersey municipalities before and after 1932. Complainant's counsel on direct examination interrogated complainant's witness Morris Mather as follows:

"Q. Prior to the year 1932 were you buying and recommending New Jersey municipal bonds to your customers?
A. Yes, very actively.
Q. Are you doing so today?
A. No.
Q. Will you state why?"

Thereupon solicitor for your petitioners moved to strike out the question and obtain a ruling against the line of testimony on the ground that there was no issue under the plead-[fol. 105] ings before the Court upon which the question of relative values of the bonds of New Jersey municipalities before and after 1932 would be relevant. This motion was based on the contention that there was no cause of action for a declaratory judgment stated against the Municipal Finance Commission. After hearing argument the court below ruled as follows:

"Judge Davis: Well, gentlemen, we are in doubt about the relevancy of this testimony and one good rule is that when in doubt admit it. If we later come to the conclusion that it is not relevant and helpful we will disregard it. So we will admit the testimony and grant you an exception, Mr. Dimock."

63. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. Will you state why you are not now recommending New Jersey bonds to your customers?

A. Why they won't buy them.

* * * * * * *

Mr. Dimock: I move to strike out the answer on the ground that it is hearsay.

Judge Davis: We will overrule your motion and grant you an exception."

64. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. Why would you not buy New Jersey bonds?

A. We have had occasions to submit the transcripts of proceedings to several of our clients for examination——

Mr. Dimock: May I have the same exception to this?

Judge Davis: Yes.

A. —and these clients invariably are subject to their [fol. 106] attorneys approval of papers, and in the case of

many of our large buyers they will not approve of them as an investment for our clients."

65. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. And has the market for New Jersey bonds reflected the fact that large buyers would no longer buy New Jersey municipal bonds?

Mr. Dimock: I object on the ground that it calls for a conclusion.

Judge Davis: Overruled. Exception granted.

A. The market, I would say particularly in the middle west, has been seriously effected because you cannot sell New Jersey bonds out there any more."

This motion was directed to testimony by complainant's witness Morris Mather that the president of complainant had advised him that complainant would refuse to purchase New Jersey bonds as long as An Act concerning Municipal Finances was in existence.

66. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Mr. Grossman: I move to strike out all of the testimony of this witness for the reason that his testimony is not directed to any effect upon bonds of the school district of Runnemede which are involved in this suit by reason of the provisions of the Municipal Finance Commission Act.

Judge Davis: Motion overruled.

Mr. Grossman: I ask for an exception.

Judge Davis: Yes, you may have an exception."

The said motion immediately followed testimony by complainant's witness Morris Mather that he and his firm had [fol. 107] never dealt in any bonds of the Borough or School District of Runnemede, New Jersey.

67. The said Court erred in failing to strike out the answer of complainant's witness John E. Woodbridge. On

direct examination complainant's solicitor questioned the witness as follows:

"Mr. Dimock: May I renew my motion to strike out all of this testimony on the ground there is no probative value on the issue on which it is offered?

Judge Davis: Motion overruled. You may have an exception."

The said motion immediately followed the testimony given by complainant's witness John E. Woodbridge that he had compared the prices of certain New Jersey municipal bonds with the prices of certain other municipal bonds in cities comparable only on a basis of population and debt per capita.

Wherefore, the defendants pray that the said Decree be reversed and the United States District Court for the District of New Jersey be directed to dismiss the bill, and for such other lawful relief as may be just and equitable in the premises.

William A. Stevens, Solicitor for Petitioners, David T. Wilentz, J. H. Thayer Martin and Walter R. Darby, as and constituting the Municipal Finance Commission of the State of New Jersey. S. Lewis Davis, Solicitor for Petitioners, Earl Kircher, Conrad Weber, William G. Hirsch and Albert W. Spencer.

[fol. 108] SUPREME COURT OF THE UNITED STATES

[Title omitted]

ORDER ALLOWING APPEAL—Filed August 29, 1938

The petition of David T. Wilentz, Attorney General of the State of New Jersey, J. H. Thayer Martin, State Tax Commissioner of the State of New Jersey, and Walter R. Darby, Commissioner of Municipal Accounts of the State of New Jersey, as and constituting the Municipal Finance Commission of the State of New Jersey, Earl Kircher, Conrad Weber and William G. Hirsch, members of the Board of Assessors of the Borough of Runnemede, New Jersey, and Albert W. Spencer, Tax Collector of the Borough of Runne-

mede, New Jersey, the defendants in the above entitled cause, for an appeal in the above entitled cause to the Supreme Court of the United States from the judgment of the District Court of the United States for the District of New Jersey, having been filed herein, accompanied by an assignment of errors and statement as to jurisdiction, all as provided by Rules 9 and 12 of the Rules of the United States Supreme Court, and the said papers having been presented to this court and the record in this cause having been considered;

It is hereby Ordered that an appeal be and it is hereby allowed to the Supreme Court of the United States from the final decree of the District Court of the United States for the District of New Jersey, entered in this cause on 6th day [fol. 109] of June, 1938, and that the Clerk of the said District Court of the United States for the District of New Jersey shall, within 15 days from this date, make and transmit to the Supreme Court of the United States, under his hand and the seal of the Court, a true copy of the material parts of the record herein, which shall be designated by praecipe or a stipulation of the parties or their counsel herein, all in accordance with Rule 10 of the Rules of the Supreme Court of the United States.

It is further Ordered that the said appellant shall give a good and sufficient cost bond in the sum of 250.00 Dollars, conditioned as required by law.

Done by the Court this 29th day of August, 1938.

John Boyd Avis, District Judge.

[fols. 110-112] Citation, in usual form, showing service on Arthur T. Vanderbilt, omitted in printing.

[fol. 113] In United States District Court

[Title omitted]

Stipulation as to Facts—Filed October 29, 1936

Complainant and defendants stipulate the following as being true and agree upon the form of proof tendered, but the agreement as to facts and form of proof does not extend

to the admissibility of the facts over objections by the parties as to relevancy, etc., to-wit:

1. Complainant, Sovereign Camp of the Woodmen of the World, is now and at all times hereinafter mentioned, was a fraternal benefit life insurance association, organized and existing under and by virtue of the Laws of the State of Nebraska, with its main office and principal place of business in the City of Omaha, Nebraska, and said complainant is a citizen and resident of the State of Nebraska.

2. Defendant, David T. Wilentz, is Attorney General of the State of New Jersey; defendant J. H. Thayer Martin, is State Tax Commissioner of the State of New Jersey; defendant, Walter R. Darby, is Commissioner of Municipal Accounts of the State of New Jersey, and as such said defendants constitute the Municipal Finance Commission of the State of New Jersey, created by Chapter 340 of the Laws of 1931 of the State of New Jersey, as amended and supplemented. Defendants Earl Kircher, Conrad W[illegible] and William G. Hirsch were on January 1, 1936 and ever since and now are members of and constitute the Board of Assessors of the Borough of Runnemede, New Jersey; and defendant Albert W. Spencer, is Tax Collector of the Borough of Runnemede, New Jersey, and each of said defendants is a citizen and resident of the State of New Jersey and of the District of New Jersey.

3. This is a suit of a civil nature wholly between citizens of different states.

4. The matter in controversy herein exceeds, exclusive of interest and costs, the sum or value of $3,000.00.

5. Prior to the 15th day of May, 1934, the Borough of Runnemede, a municipality of the State of New Jersey, had defaulted for over sixty days in the payment of the principal or interest of certain of its outstanding bonds or notes. The Borough Council of the Borough of Runnemede, pursuant to Chapter 340, Laws of New Jersey, 1931, as amended and supplemented (hereinafter referred to as the Municipal Finance Commission Act), petitioned the Honorable Frank Lloyd, a Justice of the Supreme Court of New Jersey, that the Municipal Finance Commission function in said municipality, a copy of the petition and resolution of the Borough Council will be supplied by Counsel for the Board of Assessors and Tax Collector and to be marked Exhibit 1, together with a financial statement and statement of tax collections

of the Borough, covering the period of 1926 to 1933, inclusive.

6. On the 15th day of May, 1934, after summary investigation, said Justice Frank Lloyd made and entered an order that said Borough of Runnemede, New Jersey, was unable to meet its obligations, which order, together with the petition, was filed in the office of the Clerk of the Supreme [fol. 114] Court of New Jersey. Copy of said order is hereto attached and marked Exhibit 2.

7. Thereupon said Municipal Finance Commission commenced to function in the said Borough of Runnemede, and has since been and now is functioning therein, and is also functioning in the School District of the Borough of Runnemede, New Jersey, which is co-terminous with the Borough of Runnemede.

8. The Board of Education of the Borough of Runnemede, on or about the 1st day of June, 1930, issued and sold $78,000 School Bonds, dated June 1, 1930, numbered consecutively from 1 to 78, inclusive, of the denomination of $1,000 each, and bearing interest at the rate of five and one-quarter per centum per annum, payable semi-annually on the first days of June and December of each year. Said bonds matured serially in numerical order $2,000 on June 1 in each of the years 1932 to 1937, inclusive, and $3,000 on June 1 in each of the years 1938 to 1959, inclusive. Said bonds were in coupon form, payable to bearer, and by the terms thereof said Board of Education of the Borough of Runnemede promised to pay the sum of One Thousand Dollars each on the maturity dates specified in each bond. A copy of one of said bonds is attached hereto and marked Exhibit 3. All other of said bonds are in like form and tenor, except as to numbers and maturity dates. Complainant purchased the entire issue of seventy-eight bonds. On June 1, 1932, bonds Nos. 1 and 2 were paid. Subsequently bonds Nos. 3 and 4, maturing June 1, 1933, bonds Nos. 5 and 6 maturing June 1, 1934 and bonds Nos. 7 and 8 maturing June 1, 1935, all became due and were not paid. Likewise, interest coupons attached to said $76,000 of unpaid bonds, which became due June 1, 1932, December 1, 1932, June 1, 1933, December 1, 1933, June 1, 1934, December 1, 1934, and June 1, 1935, were not paid at maturity. On or about July 12, 1935, complainant filed suit on defaulted bonds and coupons which matured prior to that date, (See Cause No. L-5224, entitled "Sove-

reign Camp, Woodmen of the World vs. Board of Education of the Borough of Runnemede") and judgment for $21,776.21 was made and entered in said cause on December 3, 1935.

9. A writ of execution was issued on said judgment on December 24, 1935, a copy of said writ, together with the return thereon, being attached hereto, marked Exhibit 4. Service of said writ was also made upon the Secretary of the Camden County Board of Taxation, Camden, New Jersey, and the Secretary of the Board of Tax Assessors of the Borough of Runnemede, in accordance with the return. On January 3, 1936, Arthur T. Vanderbilt, Solicitor for complainant, wrote letters to the Secretary of the Camden County Board of Taxation and the Secretary of the Board of Tax Assessors of the Borough of Runnemede, which were duly received by each of said officials, inquiring as to the action each Board would take with respect to the levying of taxes to pay the judgment of complainant, copies of which letters are hereto attached, marked Exhibit 5. The reply of the Secretary of the Camden County Board of Taxation is hereto attached, marked Exhibit 6, and the letter of W. S. Keown, County Counsel of Camden County, advising of the action of the County Board of Taxation upon the application of Solicitor for complainant, is hereto attached, marked Exhibit 7. No reply was ever received from the Board of Assessors of the Borough. On February 3, Henry M. Evans, Attorney for the Board of Education of the Borough of Runnemede, duly served a notice of motion upon Solicitor for complainant, for an order setting aside the execution, hereinabove referred to. A copy of said notice is hereto attached, marked Exhibit 8. Thereafter on, to-wit, the 6th day of February, Arthur T. Vanderbilt, Solicitor for complainant, wrote a letter to the Attorney for the Board of Education, inquiring the reason for the motion, copy of which is hereto attached and marked Exhibit 9. Thereafter on, to-wit, February 12, 1936, letters were written to Solici-
[fol. 115] tor for complainant by the Attorney for the Board of Education and Special Counsel to the Municipal Finance Commission withdrawing the notice of motion for an order setting aside the execution, copies of which letters are attached hereto and marked Exhibits 10 and 11.

10. Defendants William G. Hirsch, Conrad Weber and Earl Kircher, as and constituting the Board of Assessors, and Albert W. Spencer, Tax Collector, omitted to levy and

assess any tax in addition to the regular school budget taxes for the year 1936, or to collect any such taxes and if called to the stand would testify that one reason for such omission was because the Municipal Finance Commission was functioning in the municipality, and they expected to be informed what to do by the Municipal Finance Commission or the Borough Council, and that receiving no instructions from either source they spread the tax when the rate was received from the County Board without changing the rate as fixed by the County Tax Board. The members of the County Tax Board if called to the stand would testify that one reason why they did not add to the tax levy an additional amount to pay complainants' judgment was that the Board was advised by Special Counsel to the Municipal Finance Commission that litigation was then pending in the Federal District Court for the District of New Jersey, in which the question of the necessity for adding such additional amount to such levy, where the municipality concerned was operating under the protection of the Municipal Finance Commission Act as supplemented, had been raised, and the County Tax Board determined to await the outcome of such litigation before ordering the raising of such additional sum. Attached hereto are copies of letters of W. S. Keown, Camden County Counsel, to the Secretary of the Municipal Finance Commission (Exhibit 12) and the reply of the Commission's Special Counsel (Exhibit 13).

11. Submitted herewith, marked Exhibit 14, is a complete certified copy of all proceedings of the Municipal Finance Commission with respect to the Borough of Runnemede, to which reference is made for the action of the Municipal Finance Commission, with respect to the 1936 budgets of the Borough of Runnemede, and School District of the Borough of Runnemede. On April 24, 1936, the County Tax Board of Camden County struck the tax rate for the Borough. No action has ever been taken by the Borough Council of the Borough of Runnemede, with respect to the budget certified by the Municipal Finance Commission on February 28th to the County Tax Board.

12. Complainant's judgment was ordered on December 2, 1935; made and entered on December 5, 1935. Execution was issued thereon December 24, 1935; returned January 3, 1936, and complainant filed a petition for a writ of mandamus February 14, 1936 against the Board of Education of the Borough of Runnemede, individual members of the

Board and the individual members of the Board of Assessors of the Borough of Runnemede and the Tax Collector of the Borough, seeking to compel the assessment, levy and collection of taxes for the payment of complainant's judgment. Proofs were duly taken on said petition, briefs filed, and the matter is still undecided. Since May 15, 1936 the Tax Collector is and has been collecting taxes on the basis of the Borough budget certified to the County Tax Board as hereinbefore stipulated, and the school budget adopted by the Board of Education and voters and approved by the Municipal Finance Commission, as hereinbefore stipulated.

13. Complainant is still the owner and holder of the bonds hereinbefore described in paragraph 8 except insofar as the same may have been merged in the judgment hereinbefore referred to, and will continue to hold and own the bonds until the final hearing of this cause. Said bonds contain no provision for acceleration of principal upon default in payment of interest, or upon default in payment of other bonds of the issue.

[fol. 116] 14. The Board of Education of the Borough of Runnemede, New Jersey, has been in default in the payment of principal and interest on its bonds since on or about June 1, 1931.

15. Complainant owns no property in the Borough of Runnemede, New Jersey.

16. There is no high school within the district and the district is forced to pay tuition for students of high school age on a per pupil basis. There has been an increase in the number of students of high school age. The following is a table of the amounts budgeted and paid for tuition for such students for the past six years:

Tuition Costs—Runnemede

	1931–1932	1932–1933	1933–1934	1934–1935	1935–1936	1936–19
Sum Bugeted	$8,425.00	$11,860.00	$16,120.00	$11,580.00	$20,000.00	$19,000
Children	57	90	110	125	145	**
Contract Figure	7,495.50	11,752.75	8,586.25	14,900.00	16,613.30	**
Paid by end of Year*	unknown	3,820.25	3,300.75	12,718.29	16,613.30	**
Owed at end of Year	unknown	7,932.50	5,285.50	2,181.71	0.00	**

* In each instance the sum due at the close of the school year must be paid off during the next year, as otherwise the accepting school will not receive the children for education. The Runnemede children are sent to Audubon. The tuition rate there has not varied remarkably, and no better bargain can be obtained elsewhere.

** Not yet known.

17. The transactions referred to in count 3 of the complaint with respect to the compromise of taxes by payment thereof in bond were fully consummated in accordance with the terms of the resolutions authorizing the same. No taxes were so compromised except in cases where transactions were pending October 11, 1935, at which time the Municipal Finance Commission, by special resolution, discontinued the practice. There are no more bond compromises which were pending on October 11, 1936, in Runnemede. A copy of said resolution is attached to the complaint and marked Exhibit E.

18. The Borough has a contract with the New Jersey Water Company for a refund of $56 for each tap-in on water mains of the company laid at the expense of the Borough, and there has been no audit by the Municipal Finance Commission of the amount due to the municipality from the water company for such tap-ins. In January 1936 a voluntary payment was made by the water company of $1,239.36, but no attempt has been made by the Municipal Finance Commission to determine whether or not this is the total amount due from the company. The amount due the municipality from the water company has been audited for the municipality by its auditor who is the same person who acts as auditor for the Municipal Finance Commission, and the Tax Collector of the municipality has verified the correctness of the payment of $1,239.36 by an examination of the books of the water company.

19. The Commission has taken no steps to obtain State aid on lighting of State highways through the Borough, which at the present time costs the Borough approximately $2,200.00 annually. The State Highway Commission has no specific appropriation for 1936 and while other municipalities have made application for such state aid for 1936 no such applications have been granted.

20. The Commission has made no investigation to determine whether or not the cost to the Borough of rentals on fire hydrants are equitable and in accordance with the rentals charged neighboring municipalities. The hydrant rentals are fixed under rates set by the New Jersey Public Utilities Commission. They may be reviewed only by appeal before that commission.

21. It is further stipulated, subject to objection, as stated hereinabove, that the following material is incorporated in and made part of the record:

(a) The record, testimony, and exhibits hitherto submitted to the United States District Court for the District [fol. 117] of New Jersey in an action at law, Barker v. North Bergen, L 4864;

(b) The record, testimony, and exhibits hitherto submitted to the United States District Court for the District of New Jersey in a suit in equity, Barker v. North Bergen, E 5025;

(c) The record, testimony, and exhibits hitherto submitted to the United States District Court for the District of New Jersey in mandamus proceedings, United States ex rel. Christmas v. Asbury Park, L 4851;

(d) The record, testimony, and exhibits hitherto submitted to the United States District Court for the District of New Jersey in mandamus proceedings, United States ex rel. Woodmen of the World v. Runnemede, L 5224;

(e) The record, testimony, and exhibits hitherto submitted to the United States District Court for the District of New Jersey in mandamus proceedings, United States ex rel. Norfolk & Western Rwy. v. Township of Chester, L 5013;

(f) The minutes of the Municipal Finance Commission's activities in all municipalities wherein it is functioning, to wit: Asbury Park, Avalon, Brigantine, Chester, Delaware, Fort Lee, Lavellette, Manville, Mount Ephraim, North Bergen, Runnemede and South Hackensack (formerly Lodi Township), copies of which are submitted herewith and marked Exhibits 15-a to 15-l, inclusive;

(g) Certain financial records as to the twelve municipalities in which the Municipal Finance Commission is functioning, together with similar statements as to the municipalities of Lakewood, Moonachie, Neptune City, West New York, and Woodbridge, copies of all of which are submitted herewith and marked Exhibits 16-a to 16-, inclusive;

(h) Statements of cash on hand in current and trust accounts and statements of certain liabilities of the seventeen

above named municipalities, copies of which are submitted herewith and marked Exhibits 17 and 18-a to 18-q inclusive.

22. The facts as stated in the affidavit of John B. Dawson, dated June 8, 1936, are deemed to be before the court on this application for an interlocutory injunction, but, except as said facts are included in the facts and exhibits as agreed to in the foregoing stipulation, said facts are not presented to the court on final hearing.

23. The Complainant on the one hand contends that Sections 8 and 9 of Chapter 330, Laws of 1933, and companion acts are unconstitutional, and on the other hand it is contended by the defendant, Municipal Finance Commission, that said Sections and said Acts are constitutional.

Arthur T. Vanderbilt, Solicitor for Complainant. William A. Stevens, Solicitor for Defendants Wilentz et al. Joseph Varbalow, Solicitor for Defendants Hirsch et al.

[fol. 118] EXHIBIT 2 TO STIPULATION

NEW JERSEY SUPREME COURT, CAMDEN COUNTY

In the Matter of the Petition of THE BOROUGH OF RUNNEMEDE for Supervision of Its Affairs by the Municipal Finance Commission of the State of New Jersey, Pursuant to the Provisions of P. L. 1931, Chapter 340, as Amended by P. L. 1933, Chapter 330

On Petition, etc.

ORDER

This matter being opened to the Court by petition which was previously presented to this Court on behalf of the Borough of Runnemede on or about the 7th day of May, 1934, and a rule to show cause having been issued pursuant to the statutes, returnable on this day before the undersigned; and pursuant to the direction of the statute a summary investigation into the facts having been made, and it having been established to my satisfaction from the testimony, under oath, of Wilson A. Boyd, one of the members

of the Borough Council of the Borough of Runnemede and Chairman of the Finance Committee of said Borough, that the Borough of Runnemede at the present time is in default on interest on Borough obligations, which is past due in the sum of $31,252.50; that there is principal of borough bonds past due and in default in the sum of $173,000; that the Borough of Runnemede owes a total of $20,414.30, covering 1932 and 1933 State and County Taxes, which at present are past due and unpaid; and that the Borough of Runnemede owes to the Board of Education of the Borough of Runnemede the sum of $60,256.39, representing the 1933 and 1934 school levy, which sum should have been collected with the 1933 taxes of the Borough of Runnemede and is past due, making a total of obligations past due of $284,923.19; and

It further appearing, from the testimony of Wilson A. Boyd, as aforesaid, that the Borough of Runnemede has on hand to meet said obligations the sum of $2,021.90 in its current account the sum of $2,054.20 in its delinquent tax account including cash and scrip; the sum of $10,587.46 in its tax title lien account; the sum of $44.55 in its dog trust account, said funds being held to meet dog damage claims and which are available only for that purpose; the sum of $275.00 in its coupon account, representing coupons on bonds, past due, which have not yet been surrendered, and the sum of $31,077.12 in its trust saving account, representing principal of sidewalk assessments collected by the Borough, applicable to the payment of principal of its assessment bonds now outstanding and in default, or a total of $46,060.23; and

It further appearing that the Borough of Runnemede has outstanding delinquent taxes up to and including the year 1933, due and unpaid, in the sum of $69,452.11, and in addition thereto holds tax title and assessment liens in the sum of $275,104.40, of which approximately sixty (60%) per centum represents liens against unimproved land; and

It further appearing, from the above testimony, that the Borough of Runnemede is not in a position to meet its obligations when due, in spite of the endeavors of its duly constituted officers, and the said Borough of Runnemede having therefore petitioned this Court to have the Municipal Finance Commission of the State of New Jersey function in said municipality;

It is, therefore, on this 14th day of May, 1934, ordered and decreed that the Borough of Runnemede, a municipal corporation in the County of Camden and State of New [fol. 119] Jersey, is unable to meet its obligations when due despite the endeavors of its properly constituted officers; and

It is further ordered that by reason thereof, the Municipal Finance Commission of the State of New Jersey, pursuant to the statute, is hereby authorized and instructed to function in the said Borough of Runnemede, with all powers and duties conferred by the statute hereinabove referred to; and

It is further ordered that a copy of this order, together with the petition and rule to show cause upon which this order is based, shall be filed in the Office of the Clerk of the New Jersey Supreme Court; and

It is further ordered that a copy of this order, which need not be certified, be served upon the members of the Municipal Finance Commission of the State of New Jersey, within five days from the date hereof.

(Signed) Frank T. Lloyd, Justice, New Jersey Supreme Court.

Entered May 15, 1934.

On Motion of George D. Rothermel.
A true copy. Fred L. Bloodgood, Clerk.

EXHIBIT 3 TO STIPULATION

Number 3. Dollars $1000.

UNITED STATES OF AMERICA,
State of New Jersey,
County of Camden:

School District of the Borough of Runnemede

School Bond

Know All Men by these Presents, that the Board of Education of the Borough of Runnemede, in the County of Camden and State of New Jersey, hereby acknowledges itself indebted and promises to pay to the bearer, or if this

bond be registered, to the registered holder One Thousand Dollars on the first day of June, 1933, with interest thereon at the rate of five and one-quarter per centum (5¼%) per annum, payable semi-annually on the first day of June and the first day of December in each year, upon presentation and surrender of the annexed interest coupons as they severally become due. Both principal and interest of this bond shall be payable in gold coin of the United States of America, of or equal to the present standard of weight and fineness, at the Suburban Commercial Bank of Barrington, N. J. or at the option of the holder at the First National Bank, of Philadelphia, Pa. This bond may be registered either as to principal or as to principal and interest, in accordance with the provisions endorsed thereon.

This bond is one of a series of bonds, of like date, amount and tenor, except as to maturity, consisting of seventy-eight bonds, issued for the purpose of erecting on a plot now owned by the District a new schoolhouse of fire-proof construction, and to purchase for the said schoolhouse the school furniture and other necessary equipment, pursuant [fol. 120] to the affirmative vote of a majority of the legal voters of said District at meetings thereof duly called and held on the 2d day of April, 1927 and on the 7th day of May, 1927, said bonds being issued pursuant to an Act of the Legislature of the State of New Jersey, entitled, "An Act to establish a thorough and efficient system of free public schools, and to provide for the maintenance, support and management thereof," approved October 19, 1903, being Chapter I of the Laws of the Second Special Session of 1903, and the acts amendatory thereof and supplemental thereto, and a resolution of the Board of Education duly adopted.

It is hereby certified and recited that each and every act, condition and thing required to be done, to have happened and to be performed, precedent to and in the issuance of this bond, has been done, has happened and has been performed in full and strict compliance with the Constitution and Laws of the State of New Jersey, and that the issue of bonds of which this is one is not in excess of any Constitutional or Statutory limitation of indebtedness.

In witness whereof, the Board of Education of the Borough of Runnemede, in the County of Camden and State of New Jersey, has caused this bond to be signed by its

President and attested by the District Clerk, and the seal of the said District to be hereunto affixed and the interest coupons hereto attached to be executed with the fac simile signature of the said District Clerk as of the first day of June, 1930.

Fred C. Sweesy, President.

Attest: Thomas L. Coley, District Clerk.

EXHIBIT 4 TO STIPULATION

DISTRICT COURT OF THE UNITED STATES OF AMERICA, DISTRICT OF NEW JERSEY

The President of the United States of America to the Marshal of the District of New Jersey, Greeting:

Law—5224

We command you, that of the goods and chattels rights and credits of Board of Education of the Borough of Runnemede in the County of Camden, defendant, in your District, you cause to be made the sum of Twenty-one thousand eight hundred one dollars and twenty-one cents which to Sovereign Camp, Woodmen of the World, plaintiff, lately in the District Court of the United States, in and for the District of New Jersey, in the Third Circuit, at Trenton, before the judges of said court, was adjudged for its damages, costs, and charges, whereof the said defendant was convicted, as appears of record, and if sufficient goods and chattels rights and credits of the said defendant cannot be found in your district, whereof the damages, costs, and charges aforesaid may be made, then we further command you that you cause the whole or the residue, as the case may require, of the said damages, costs, and charges to be made of the lands, tenements, and real estate whereof the said defendant was seized on the 5th day of December, nineteen hundred and thirty-five or at any time afterwards, in whose hands soever the same may be, and that you have that money before the said judges, at Trenton aforesaid, on the 24th day of March 1936 next, to render unto the said plaintiff for its damages, costs, and charges aforesaid, and have you then and there this writ.

[fol. 121] Witness the Honorable William Clark, Judge of the District Court of the United States, for the District of New Jersey, at Trenton aforesaid, this 24th day of December nineteen hundred and thirty-five.

George T. Cranmer, Clerk, United States District Court, District of New Jersey; Kathryn M. Flynn, Deputy Clerk. (L. S.)

Recorded in the Clerk's Office of the District Court of the United States, for the District of New Jersey, in Book I of Executions, page 192.

George T. Cranmer, Clerk, U. S. District Court, by Kathryn M. Flynn, Deputy Clerk.

Served the within FI. Fa. de Bonis et Terris by delivering to and leaving with Gardner S. Driver, Secretary of Camden County Board of Taxation, personally, a copy thereof, at Camden and by delivering to and leaving with Albert W. Spencer, Tax Collector for Borough of Runnemede, personally, a copy thereof, at Runnemede and by delivering to and leaving with William G. Hirsch, Tax Assessor for Borough of Runnemede, personally, a copy thereof, at Runnemede, each in the District of New Jersey, on the 2nd day of January, 1936, at the same time showing said persons this original with the seal of the Court attached and informing them of its contents.

William P. McDermitt, United States Marshal, by Arthur L. Stretton, Deputy.

At request of attorneys, the within writ is herewith returned "Nulla Bona" this 3rd day of January, A. D. 1936, at Trenton, New Jersey.

William P. McDermitt, United States Marshal, (Signature illegible), Chief Deputy.

[Endorsement:] United States District Court, District of New Jersey. Sovereign Camp, Woodmen of the World, Plaintiff, vs. Board of Education of the Borough of Runnemede in the County of Camden, Defendant. Fi. Fa. De Bonis et Terris. Returnable March 24, 1936. Arthur T. Vanderbilt, Esq., 790 Broad Street, Newark, N. J.

Levy:

Damages	$21,776.21
Costs	25.00
Interest thereon from Dec. 5, 1935	109.01
Besides Marshal's Execution fees	6.00

[fol. 122] EXHIBIT 5 TO STIPULATION

Arthur T. Vanderbilt, Counsellor at Law,
744 Broad St., Newark, N. J.

January 3, 1936.

Conwood Weber, Esq., Secretary, Board of Tax Assessments, Clements Bridge Road, Runnemede, New Jersey.

Re Sovereign Camp, Woodmen of the World v. Board of Education of the Borough of Runnemede

DEAR SIR:

I am informed by the United States Marshal that William G. Hirsch, one of the members of your Board of Assessors, was served yesterday by the Marshal with a writ of execution issued out of the United States District Court for the District of New Jersey in the above case, wherein plaintiff, whom I represent, obtained a judgment against the Board of Education of the Borough of Runnemede on defaulted bonds and interest coupons issued by it in the amount of $21,801.21. I am writing at this time to inquire whether your Board of Assessors, pursuant to Section 35 of the New Jersey Execution Act (2 Compiled Statutes 2256) will assess and levy, in addition to the regular taxes for the coming year, the amount due upon said execution plus interest thereon as is required by said statute after writ of execution has been served upon you. Will you kindly let me know by return mail whether you intend to comply with the statute in this respect. I enclose a self-addressed, stamped envelope for your convenience.

Very truly yours, Arthur T. Vanderbilt.

EXHIBIT 5

Arthur T. Vanderbilt, Counsellor at Law,
744 Broad St., Newark, N. J.

January 3, 1936.

Gardner S. Driver, Esq., Secretary, Camden County Board of Taxation, Court House, Camden, New Jersey.

Re Sovereign Camp, Woodmen of the World v. Board of Education of the Borough of Runnemede

DEAR SIR:

I am informed by the United States Marshal that he served you yesterday with a writ of execution issued out of

the United States District Court for the District of New Jersey in the above case, wherein the plaintiff, whom I represent, obtained a judgment against the Board of Education of the Borough of Runnemede in the amount of $21,801.21 on defaulted bonds and interest coupons. I am writing you at this time to inquire whether the Camden County Board of Taxation will, pursuant to Section 505 of P. L. 1918, Chap. 236, add the amount due upon said execution with interest to the amount certified to it to be raised by taxation in the taxing district of the Borough of Runnemede and whether you intend to comply with the requirements of the above statute. Will you kindly let me know by return mail. I enclose a self-addressed, stamped envelope for your convenience.

Very truly yours, Arthur T. Vanderbilt.

[fol. 123] EXHIBIT 6 TO STIPULATION

Offices of the Camden County Board of Taxation.
Court House, Camden, N. J.

January 6, 1936.

Arthur T. Vanderbilt, Esq., 790 Broad Street, Newark, New Jersey.

Re Sovereign Camp, Woodmen of the World v. Board of Education of the Boro of Runnemede

DEAR SIR:

This will acknowledge receipt of your letter of January 3rd inquiring whether the Camden County Board of Taxation will add the amount due upon your execution with interest to the amount certified to this Board by the Taxing District of the Borough of Runnemede.

This matter will be presented to the Board for their consideration and will no doubt be referred by them to the County Solicitor for his advice. When the matter is definitely decided I shall be glad to advise you as to the Board's decision.

Very truly yours, Gardner S. Driver, Secretary.

GSD:CL.

EXHIBIT 7 TO STIPULATION

County of Camden, New Jersey

February 24th, 1936.

Arthur T. Vanderbilt, Esq., 790 Broad St., Newark, N. J.

Re Sovereign Camp, Woodmen of the World v. Board of Education of the Borough of Runnemede

MY DEAR MR. VANDERBILT:

You have had some correspondence with the County Board of Taxation concerning an execution issued from the United States District Court in the above case. It is my understanding that this execution was returned nulla bona and there is now pending a mandamus proceeding in the United States District Court before Judge Avis. You wrote to the County Board of Taxation asking whether they would add this amount to the budget of the Runnemede School Board.

I am requested to advise you that they will not do this until a mandamus proceeding has been issued.

I would appreciate it if you would keep me in touch with the situation respecting this mandamus so that I can advise the County Board of Taxation as to their future action.

Very truly yours, W. S. Keown.

GDR:LLB.

[fol. 124] EXHIBIT 12 TO STIPULATION

County of Camden, New Jersey

February 8th, 1936.

Walter S. Keown, County Counsel, West Jersey Trust Building, Broadway & Cooper Street, Camden, New Jersey.

Mr. George C. Skillman, Secretary of the Municipal Finance Commission, State House, Trenton, N. J.

In re Camden County General

MY DEAR MR. SKILLMAN:

I enclose herewith copy of a letter that was sent by Arthur T. Vanderbilt, Esq., to the Camden County Board

of Taxation. You will note that this refers to a judg
against the Board of Education of the Borough of R
mede and of course this borough is now under your s
vision.

I wish to lend you every assistance that I can in
connection and no doubt you are aware of this proble
have not yet been formally asked for an opinion fro
Camden County Board of Taxation, but am anticip
that I will be asked for this. I should be glad to
your views on this matter at your convenience.

Very truly yours, (Signed) Walter S. Ke

GDR:LLB.

[fol. 125] In United States District Court. Distric
New Jersey

Soverign Camp, Woodmen of the World, Complai
Respondent,

vs.

David T. Wilentz, Attorney General of the State of
Jersey; J. H. Thayer Martin, State Tax Commission
the State of New Jersey, and Walter R. Darby, Con
sioner of Municipal Accounts of the State of New Je
as and Constituting the Municipal Finance Commi
of the State of New Jersey; Earl Kircher, Conrad W
and William G. Hirsch, Members of the Board of A
sors of the Borough of Runnemede, New Jersey.
Albert W. Spencer, Tax Collector of the Borou
Runnemede, New Jersey, Defendants-Appellants

Narrative Statement of Evidence—Filed October 27,

Transcript of proceedings taken at Trenton, New Je
October 29, 1936, before Hon. J. Warren Davis, Hon.
Boyd Avis and Hon. Phillip Forman.

Appearances

Arthur T. Vanderbilt, Esq., Thompson, Wood & Hoff
Esqs. by David M. Wood, Esq., F. W. Hall, Esq. for
plainant.

William A. Stevens, Esq., Edward Dimock, Esq., Jo
Varbalow, Esq., Harry Grossman, Esq. for defendants

MORRIS MATHER, being called and sworn as a witness in behalf of the complainant, testified as follows:

On direct examination.

By Mr. Wood:

I reside in Chicago, Illinois. I have been an investment banker, specializing in municipal bonds, for over 25 years. I have, during that time, bought and sold many issues of bonds of New Jersey municipalities and am entirely familiar with the general market conditions affecting New Jersey municipal bonds. Prior to the year 1932 I was [fol. 126] actively buying and recommending New Jersey municipal bonds to my customers.

"Q. Are you doing so today?

A. No.

Q. Will you state why?

Mr. Dimock: I move to strike out the question and obtain a ruling against this line of testimony on the ground that there is no issue under the pleadings before the court upon which the question of the relative values of the bonds of New Jersey municipalities before and after 1932 would be relevant. And the reason I say that is that there is no cause of action for an injunction or for a declaratory judgment stated against the Municipal Finance Commission."

"Mr. Wood: We are asking to bring out this testimony for two purposes. We ask for the removal of a cloud on our securities, and we are also asking for a declaratory judgment. So far as the cloud is concerned we must first demonstrate there is a cloud for the court to remove."

"Judge Davis: Well, gentlemen, we are in doubt about the relevancy of this testimony and one good rule is that when in doubt admit it. If we later come to the conclusion that it is not relevant and helpful we will disregard it. So we will admit the testimony and grant you an exception, Mr. Dimock. Proceed.

Q. Will you state why you are not now recommending New Jersey bonds to your customers?

[fol. 127] A. Why they won't buy them.

Mr. Wood: I cannot think of any better reason.

Mr. Dimock: I move to strike out the answer on the ground that it is hearsay.

Judge Davis: We will overrule your motion and gra
you an exception."

I am not buying New Jersey bonds for my own inve
ment. I do not buy many bonds for my own investment.
I were I would not buy New Jersey bonds.

"Q. Why would you not buy New Jersey bonds?
A. We have had occasions to submit the transcripts
proceedings to several of our clients for examination——

Mr. Dimock: May I have the same exception to this?
Judge Davis: Yes.

A. —and these clients invariably are subject to the
attorneys approval of papers, and in the case of many
our large buyers they will not approve of them as an i
vestment for our clients."

These same persons were not taking that attitude pri
to 1932; we sold lots of bonds, lots of them; the records w
show that.

"Q. And has the market for New Jersey bonds reflecte
the fact that large buyers would no longer buy New Jers
municipal bonds?

Mr. Dimock: I object on the ground that it calls for
conclusion.
Judge Davis: Overruled. Exception granted.

[fol. 128] A. The market, I would say particularly in t
middle west, has been seriously effected because you ca
not sell New Jersey bonds out there any more."

The reasons for it are the same. The people object
the law of the state. I am sorry I did not say that befor
The loss of customers I had in mind includes large ban
and insurance companies in the Chicago area—our busine
is almost entirely confined to insurance companies, fratern
organizations and banks. We do very little business wi
individuals. We have liquidated millions of New Jers
municipal bonds for our customers.

On cross-examination by Mr. Dimock the witness testifi
further as follows:

I do not know what provisions of the New Jersey law
these customers objected to. I am not an attorney.

am a bond man. If the attorneys raised the objection, as far as I am concerned, it is finished. They do not give us the details. They do not have to. The attorneys who said they could not approve New Jersey bonds were Mr. Wells, Woodmen of the World, a very prominent example, and Mr. Bradshaw of the same concern. I do not know whether they are both attorneys for the plaintiff in this case. I am not familiar with the plaintiff in this case and know nothing about it.

I cannot recall the exact date when a customer told me that his attorney would not approve of New Jersey bonds. We have just stopped dealing in New Jersey bonds except in cases where * * * A customer told me that his attorney would not approve of the bonds sometime in the last two years. Sometime since the passage of this new [fol. 129] act, whenever it was. I am not familiar with the terms of it.

I never made any inquiry myself to determine what it was that was the matter with these bonds. We are in business to sell bonds. We sell the ones that can be sold. It makes a lot of difference whether the bonds are good or bad, even if they can be sold, because if the attorney does not approve of them we never take them up. We are concerned with the security behind the bonds and the financial condition of the municipality issuing the bonds, their debt, and what the rate of tax is, and the legal question goes to our lawyers, and we are guided by our lawyers as to whether or not we will accept them.

We do not deal in New Jersey bonds as originators today. We do not bid for them direct. We act as liquidators for these insurance companies which desire to get out of their holdings. Do I think there is any difference in New Jersey bonds? There is a lot of difference, of course. We have sold several millions of New Jersey bonds at considerable sacrifice to our clients. We sell them back in New Jersey. They know they are good. There is a market in New Jersey. I assume they know they are good, otherwise they would not buy them.

I have not particularly noticed whether the market makes any difference between municipal bonds issued in New Jersey prior to the passage of the Municipal Finance Act and those issued afterward. We would not bid for an issue of New Jersey bonds issued under the Municipal Finance Act. We do make a distinction between the bonds

issued before the Municipal Finance Act and those issued afterward. We are not bidding on any New Jersey bonds. We are no longer dealing in New Jersey bonds except as accommodation to our customers. We first refused to [fol. 130] sell New Jersey bonds because our clients would not buy them.

We have no reason to go to lawyers. I have never had occasion to ask for the advice of lawyers as to why these bonds are disadvantageous merchandise. There is some controversy about the enforceability of the bonds, I understand, a question whether the bonds are enforceable. I said millions of bonds. I did not say I sold them when I thought there was a doubt about their enforceability. I said my clients were selling their New Jersey holdings. I do not know anything about whether there is doubt as to the enforceability of bonds issued before the Municipal Finance Act. I would not call it a nebulous feeling in the air against New Jersey bonds when you have nine or ten of the largest insurance companies of the west tell you they will not buy them. I have no reason to look for what the basis of it is. I have had Mr. Bradshaw, the president of the Woodmen of the World, which is probably the largest fraternal insurance company in the United States and one of the largest buyers of municipal bonds, tell me that he would never buy another New Jersey bond as long as that act was in existence. I did not ask him why. That was sufficient enough for me. He is a lawyer.

"Mr. Dimock: If your Honor please, I feel that this testimony is so remote and speculative that it should be stricken from the record, and I ask that it be so stricken.

Judge Davis: The motion is denied. You may have an exception."

[fol. 131] On cross-examination by Mr. Grossman the witness testified further as follows:

It is a very hard matter to estimate the amount of millions of New Jersey bonds my concern has sold since 1931. I cannot tell off-hand. We do a large business in municipal bonds. That is all we sell. Not as much as one hundred million. I would not say fifty million. Our business runs between fifteen and twenty million dollars worth of bonds a year. But understand these bonds we have sold are for the purpose of liquidation and not new stuff. Our business

principally is with banks, insurance companies and fraternal orders. These bonds came from them. We sold them to dealers back here in the East. There must be a market for the bonds. We sold them.

I do not know whether the objections that were raised and brought to my attention as to New Jersey bonds have reference to bonds only of municipalities under the jurisdiction of the Municipal Finance Commission, or obtained as to bonds issued by any municipality in New Jersey. I think the customers were selling the bonds because they did not like the New Jersey laws. We did not go into the specific case of each municipality. The insurance company decides they want to liquidate their New Jersey holdings and they liquidate them if they can. In my bond transactions I handled bonds of the state of New Jersey.

I am able to give you some up-to-date information as to the purchase of New Jersey bonds issued by the state of New Jersey. Last week we offered a block of State of New Jersey bonds of the type which goes principally to trust departments of banks. Naturally we offered the banks [fol. 132] first. We were liquidating these bonds for the Woodmen of the World, and without exception the Chicago banks said "Nothing in New Jersey."

There is an objection to bonds issued by counties in the state of New Jersey as well as municipalities—there is an objection to all New Jersey bonds in our market. No matter who issues them. The question is not whether the objection is not so much to the operations under the Municipal Finance Commission act as it is to bonds issued in New Jersey because the question of the soundness of the state of New Jersey is involved. I think that the situation was brought about by the objection to the recent laws passed by the State of New Jersey. I really believe that.

I do not understand the nature of those laws. I am not a lawyer. I am in the bond business. When I recommend a bond I am concerned with the ability to pay. My decision concerning the law would depend upon what the recognized bond attorneys told me. We have never submitted a New Jersey transcript to any New Jersey attorney since the passage of the New Jersey Municipal Finance Commission Act I have never submitted a transcript, and therefore was never advised whether or not municipalities under the jurisdiction of the Municipal Finance Commission would be hampered in the observation of the obligations

of their bonds by the terms of the Municipal Finance Commission Act. If I did not submit the transcript they could not have told me yes or no.

I have sold bonds since 1931. I have not bought New Jersey bonds direct from the State since 1931. We bought and sold New Jersey bonds in 1932. I will have to look at my records to know whether I bought or sold New Jersey [fol. 133] bonds in 1933. I am not quite sure whether I bought and sold New Jersey bonds in 1932. I do not traffic in bonds and I do not remember what municipal bonds I bought or sold in 1932. I dealt in them. I do not recall. I am quite sure I did not buy any Runnemede bonds. I do not think I ever dealt in any Runnemede bonds. I know nothing about the bonds of the school district of the Borough of Runnemede.

"Mr. Grossman: I move to strike out all of the testimony of this witness for the reason that his testimony is not directed to any effect upon bonds of the school district of Runnemede which are involved in this suit by reason of the provisions of the Municipal Finance Commission Act.

Judge Davis: Motion overruled.

Mr. Grossman: I ask for an exception.

Judge Davis: Yes, you may have an exception."

FREDERICK L. SATTLEY, being called and sworn as a witness in behalf of the complainant, testified as follows:

Under direct examination.

By Mr. Wood:

I live in Detroit, Michigan. I am in the investment counsel business. I have been in it since 1930, and prior to that time I had been the business of selling bonds. During that period I engaged practically exclusively in the buying and selling of municipal bonds. In my business as an investment counsel, I advise investors as to investments in municipal bonds. We have as a matter of fact about eighty-five banks in the State of Michigan to whom we make recommendations for the purchase of various securities. We have bought considerable amounts of municipal bonds for [fol. 134] them; however, in recent months not exceeding five year maturities. We do advise one small insurance company.

I would know of no reason why prior to the year 1933 our customers should not purchase the better credits of municipal bonds of the State of New Jersey. I did not personally recommend the purchase of any New Jersey municipal bonds at that time. I was not with this firm at that time, but I would have if I had been there. No, that is not my attitude today. I have purchased today State of New Jersey bonds not exceeding five year maturities. That is no reflection upon the State's credit, but we feel that marketwise we should confine ourselves there for bank investments, and my reason for purchasing those and not purchasing bonds of municipalities is due to this law, and it is not due to any interpretation of mine of the law. I am not a lawyer and do not know the legal matters entering into it. However, I do know and I have seen in the past that whenever a new procedure of the issuing of bonds or investment of bonds comes along invariably someone takes exception to it, and for my clients I do not want to be in a position of having put them into a position of something that a law suit can be started because of market disruption. Well, I am afraid that even though I buy them what I think are the best credits I find myself suddenly with a bond which I have purchased, even a short bond at a premium, selling down pretty close to par.

As to what has brought about that change in market conditions for New Jersey municipal bonds,—well, as far as I was concerned, as I stated before, when I first read this [fol. 135] law my immediate impression was "well, this is a new method of procedure in the investment of municipal bonds". As I say I am not an attorney and made no attempt to interpret the law, and on the other hand as I also stated, it has been my custom and probably will be inasmuch as there are so many municipal bonds that can be bought. I do not necessarily go to attorneys to try to find out whether or not we will be justified in buying those bonds. Until matters are cleared up or I know definitely that the whole thing is just a matter of temporary excitement. I do not buy the bonds. I have watched the operations of that law. I notice there has been a great deal of litigation and I do not want to buy the bonds today. I would say undoubtedly that the market for New Jersey municipal bonds must have been affected by the enactment of that statute, in the Detroit area particularly, because we control the investment for probably eighty-five banks there, and I know

of another investment counsel firm which has taken t
same attitude we have, and one of the best local deale
there has also assumed the same attitude, and natural
if you take that many accounts out of any market it is bou
to affect the marketability of the bonds in that sectio
As I say, I cannot tell you so definitely how the high gra
New Jersey municipal bonds sold in comparison with bon
of cities of the same population and class elsewhere pri
to 1933. Between 1930 and 1933 I did not have occasi
to sell many of them because there were plenty of loc
problems in Michigan which we had worrying us at th
time. However, prior to 1930 I would say that New Jer
municipal bonds ranked equally, and perhaps in some case
[fol. 136] sold at better prices than certain other bon

As to how the market for these same bonds compar
with those same middle western bonds today, I have n
gone into the matter exhaustively. I happened to che
a circular the other day, and I found an issue of East Oran
Bonds, which I believe is one of your medium grade credi
in New Jersey at best, and certainly not among the wor
and I found that buying and selling in 40's or bonds we
offered in 40's on a 1.75 basis, which compares with bon
what I would consider similar credit in other sections
the United States, offered at around 1.40 to 1.50 basis.
also might add in connection with that that we have a rece
issue of bonds brought out in Jackson, Michigan, which
definitely a second credit in Michigan, and those bon
were offered at the same price as the East Orange bon

We have recommended the liquidation of New Jers
municipals in all of our bank accounts. They are bei
sold, with the exception of the bonds of the State of N
Jersey. And, as I say, we have purchased them and w
continue to purchase them.

On cross-examination by Mr. Dimock, the witness testifi
further as follows:

My disposition against New Jersey municipal bonds
not due entirely to what I have heard attorneys have sa
about it. Mine is purely one of caution. This results fr
a reading of the law itself. I read it myself, yes.
personal objection to it, as I say, is that it is a new meth
of enforcing the payment of these bonds. As to wheth
[fol. 137] it is effective I do not care to answer. It was
different method of procedure. That was enough for m

I would say that I read it which is in the early part of 1933. I had not had occasion to buy any New Jersey bonds at that time, no, sir. I make a distinction between county bonds and other bonds. I am well aware that the county bonds are not subject to this same law. I would not have any particular objections, I have not purchased any but I have not any objections of that nature.

In a general way I believe you can buy City of Newark, New Jersey bonds, due in '40 to yield around 2¼ to a 2.50 basis, depending on maturity. I would not say I definitely knew in 1929 Newark bonds were selling at a 4.49 basis. I would surmise that would probably be correct. I did not have occasion and have not had for so many months to go into long term bonds that I would not be competent to testify to that.

I could not say definitely that I know that in Buffalo in 1929 bonds were selling on a 4.09 basis for '44 maturity. I am not familiar with the market for long maturititse there. My guess would be probably very close to the same as Newark. That, however, is due to a matter of credit. I would not say that the credit of the City of Buffalo is worse than the City of Newark. I would say this, that the City of Buffalo in the past four years has been spending necessary sums for relief out of the issuance of new bonds. It [fol. 138] has retired practically no bonds from current income. Its maturities have been extended through the sale of refunding bonds. There has not been a creditor's committee functioning in respect to Buffalo bonds, they never defaulted. There was a creditor's committee in respect to Newark bonds.

I would consider the bonds of Montclair, New Jersey, as high grade. I have not had any of them offered to me, or have not seen any for at least a year. I would consider it one of your better New Jersey bonds, and one I would buy if I were buying New Jersey bonds. I think without this difficulty they might sell a little better than a 2.85 basis for a thirteen year bond, because I believe comparable credits in other cities—of course, I am not going into long bonds and when I say I am not familiar with them it is purely an estimate—I believe there are bonds of other cities of similar credits which can be purchased at much lower yield.

White Plains, New York, I would not call a similar credit. It has a higher debt. It is quite a different situation. To

the best of my knowledge there is no law there similar t
the Municipal Finance Commission Act in New Jersey.
would say that White Plains is not a comparable credi
The debt is higher. White Plains, if I am not mistake
has a fairly large foreign element in its population.
has tax collections, which at times have not been impressiv
and its current operations have not always been impressiv

I am not familiar with the market of Paterson, Ne
Jersey, bonds. I would not doubt that the market o
[fol. 139] twenty-one year Paterson bonds was on a 3.4
basis. I am familiar only in the shorter maturities with th
market in Yonkers bonds. Well, I would not conside
Yonkers as a particularly good credit, in comparison wit
Paterson, irrespective of any laws like the Municipal Fi
nance Act. I am not as familiar as perhaps I should be wit
the credit of Paterson. My impression, however, is tha
Paterson has some elements of stability which are lackin
in Yonkers.

I am not familiar with the market in bonds of Wes
Orange, New Jersey. I want you to understand that due t
my lack of great interest in the New Jersey situation be
cause of this law, and because of the fact that I have no
been purchasing, I have not been particularly close to th
market for New Jersey bonds. I have never made an
inquiry as to whether the relative prices between New Jerse
municipalities and comparable municipalities in other state
had changed for the worse since the passage of the Ne
Jersey Municipal Finance Act. The best way I can answe
that—from time to time I have checked the market fo
certain short term New Jersey credits, which is Plainfield
East Orange and Summit, and bonds of that nature, and
found that they represented as a general rule bargains a
compared with other similar credits in the country. I coul
understand the fact that in 1929 Buffalo bonds sold on
lower basis than in Newark, and in 1935 they sold on
higher basis than Newark. The reason is that the city o
Buffalo in 1929 had very nearly perfect tax collections.
do not believe that was true in Newark. The reason that th
bonds today are selling higher is simply due to the thing
that I mentioned earlier. I do not believe it is true tha
in 1929 the bonds of White Plains New York, were selling
[fol. 140] on a better basis than those of Montclair, Ne
Jersey, but in 1935 Montclair was selling on a better basis

Judge Avis: What does that "better basis" mean? To the investor or municipality?

Mr. Dimock: To the municipality. Lower basis I mean. Representing the better credit position of the municipality.

I cannot explain why in 1928 it might have been true that Yonkers bonds were selling on a lower yield basis than Paterson, and in 1935 Paterson sold on a lower yield basis than Yonkers. If it was I do not remember. However, today Yonkers is in rather bad shape at the moment which might easily explain the difference. I know nothing about West Orange, New Jersey. I am not familiar with the market price of Passaic bonds. Some months ago I did check the market on Passaic water bonds, but that would be the extent of it, and that was several months ago. I have not followed them closely recently. I investigated the Passaic bonds some time ago. I would not know whether it is about right that the Passaic twenty-nine year bonds were selling on a 3.90 basis in 1935. My investigation was with the view of keeping in touch with the shorter term market. I said I had paid some attention to the litigation involving the act concerning municipal finances in the State of New Jersey. North Bergen is naturally one of the outstanding examples that we out west have heard. I read over some brochures about it by, I presume, the bondholders committee. In reading this what I learned did not have any effect in reaching the conclusion to which I have testified here.

[fol. 141] As I said before, my entire attitude in the matter is one of caution. I do not want to buy municipal bonds of any kind where I feel I am liable to run into litigation. We have some bonds right now in Michigan for example, sewage revenue bonds, and I will not purchase any of those although I feel almost certain the bonds will be paid. The reason for not purchasing them is that there is a legal question involved, which I think may ultimately develop into litigation, and until that has been settled I prefer not to buy them. I would say it is a novelty rather than the opinion of attorneys which is actuating me, because novelty in any municipal situation is not always to be desired.

On redirect examination by Mr. Wood the witness testified further:

I say that it was the novelty which first made me pause, the novelty of the new method of enforcing municipal bonds.

As I say, I have followed it from time to time, and I have discussed it with other people in the bond business in Detroit. I was aware of bonds which came out since that time—I have not heard of any bondholder getting relief.

On further cross-examination by Mr. Grossman the witness testified further as follows:

It is correct that I recommended the stopping in dealing in New Jersey municipalities. I think I can pretty well place when I first adopted that policy. It would have been the latter part of 1933, at which time we made our first contact with the bank. It is true that that policy was adopted with reference to municipal bonds of New Jersey municipalities whether or not they were under the direction [fol. 142] of the New Jersey Municipal Finance Commission. My objection in dealing in any bonds issued by a municipality in New Jersey was simply because of the possibility of market fluctuation which no bank could stand. There would be no inclination for municipalities not under the control or jurisdiction of the Municipal Finance Commission act to follow sympathetically those under the act, for the reason that your institutional buyer when he makes up his mind that he is not going into the situation because he is afraid of market reaction must necessarily assume that reaction will affect all bonds of that particular community, even though some of them are naturally perhaps stronger than others.

My clients adopted my advice to liquidate their New Jersey municipals. I do not deal in bonds of the school district of Runnemede. I do not deal in any bonds of the Borough of Runnemede. My clients were able to liquidate all of their New Jersey municipals when they offered them for sale. I do not know whether there were in the bonds that I liquidated for my clients' issued by New Jersey municipalities, bonds of any other municipalities that were functioning under the control of the Municipal Finance Commission. I do not know, there may have been. I do not recall all of the bonds that were liquidated, no, I had no difficulty liquidating them.

On redirect examination by Mr. Wood the witness testified further as follows:

As to liquidation, our organization has a method of handling that matter for the smaller banks, whereby we place

the orders with brokers. The brokers confirm the purchase or sale of the security direct to the client and send out a certificate of confirmation, and we make no profit whatso- [fol. 143] ever out of the transaction. I would know the prices at which they were liquidated. I do not think these bonds were liquidated at prices comparable to the price level of similar bonds in other states. I mean they were liquidated at prices below what bonds of similar municipalities in other states would have been sold for. I could not say whether all New Jersey municipal bonds have declined in value as compared with other municipal bonds through out the country because of the laws I have spoken about. I have not examined the matter extensively. I will say that the situation I have seen recently appears to be out of line. I am familiar with the short term market. As of 1937, the shortest maturity of East Orange bonds, I do not know; I have not seen any 1938 maturity. I believe I saw some offered at a 1.25 basis, due in 1938. As to what the basis would be for a bond of a similar maturity issued by a similar municipality in some other state, I would say that for a similar credit it should not exceed 1%, because that is a money bond. I do not think there is any question but what East Orange bonds will be paid at maturity. I would say that the 1938 maturity is selling at 1.25 and I cannot think of any comparable credit in any other section which would be sold to yield better than one per cent.

Judge Avis: What does that 1.25 mean?

The Witness: That means 1.25% to maturity. 1.25% per annum per $100.

Judge Avis: 1.25%.

The Witness: Yes.

Judge Avis: Now, a bond bears what interest, the ones you were speaking about for instance?

[fol. 144] The Witness: Those particular East Orange bonds were 3's, if my memory serves me rightly, 3's or 3½'s.

Judge Avis: And selling for what?

The Witness: 1.25% for 1938 maturity.

Judge Avis: But the actual sales price?

The Witness: I do not have a basis book with me, but it would probably run from 104. That is just an estimate, however.

On the one per cent basis, the same coupon rate would be one-half a point higher. As the term of the bond ex-

tends the differential would be much greater naturally I buy a 1930 maturity, which is a 4½% bond. I may pa 108 for a bond that is returning 1.40 basis, and on the othe hand if it is a 1.50 basis it would be 107.

On recross-examination by Mr. Dimock the witness testi fied further as follows:

In comparing these East Orange bonds with a hypothetica municipality of comparable credit and in making up the hypothetical municipality, I did not have in mind a Michiga bond. I did not have in mind a bond in some state wher they had had a set sales tax for about five months an they appealed it. I had not taken that particularly in con sideration. I was assuming that the relief situation wa pretty generally handled the same way through the entir country. Simply that the municipality has got to issu relief bonds. I was assuming a state where the money wa raised by the municipalities without any State aid. I as sumed as to the hypothetical State that they did not hav as many municipal defaults as New Jersey, somewhat di [fol. 145] ferent conditions existing naturally, but that doe not necessarily affect the price of bonds of similar cred in any state. The fact that there may have been a lot o defaults within the State is not going to affect greatly th better credits in that bond or the price of the bonds. It i true that East Orange was on the verge of default an that the financing was to take care of quite a large floatin indebtedness. I was assuming that sort of credit in som other State. I followed the litigation brought by the bond holders in New Jersey to the extent of seeing what progres they were making.

In the course of my study of the situation there came t my attention an advertisement in the New York Times o January 21, 1936, in just about the form you showed m I received the advertisement with a printed letter addresse to "Depositors with the Committee for bondholders of th Township of North Bergen, New Jersey," dated Januar 21, 1936. I went out of my way to ask a bond dealer fo one because I wanted to read it.

Mr. Dimock: I would like to offer those papers evidence.

Mr. Wood: No objection.

(Received and marked Exhibit D-1.)

I believe I have seen a copy of a letter dated March 9, 1936, with the same address from the same committee.

Mr. Dimock: I offer it in evidence.

(Received and marked Exhibit D-2.)

Naturally these papers had something to do with my conclusions. Obviously nothing had been completed; nothing had been arrived at, and no action one way or another favorable to bondholders had been taken.

ARTHUR GRANT, being called and sworn as a witness in behalf of the complainant, testified as follows:

On direct examination.

By Mr. Wood:

I live in Larchmont, New York. I am a municipal bond dealer, 50 Broadway. I specialize largely in municipal bonds. I have dealt twenty-five years in municipal bonds. I have bought and sold New Jersey bonds during that [fol. 146] period. Large amounts of them, over that period. Prior to 1933 my experience with reference to the relative marketability of New Jersey municipal bonds and the bonds of similar municipalities throughout the United States was that the former was very good, and that they ranked higher in some cases. Yes. I do not think that is true today in many cases. I find my clients are taking a position adverse to the purchase of New Jersey municipal bonds. Considerable of them. I would rather go back to 1931 to give an estimate to the extent to which New Jersey municipal bonds have declined in relative marketability. Because I made some valuations on some comparison in Newark, St. Paul and Cincinnati, I found in 1931 that the City of Newark was selling on a lower return to the investor than municipalities like St. Paul and Cincinnati which are comparable cities to Newark. Today I find that is reversed. That Cincinnati and St. Paul return less to the investor today than Newark. I account for that to marketability. I have the actual figures for those bonds for 1931 and 1933. There was an offering of ten million Newark bonds maturing from 1932 to 1956 offered on a 1.90 to 3.65 basis return to the investor. Cincinnati offered one million one hundred thou-

sand bonds, similar maturity from a 3.00 to 3.85 basis. St. Paul, 1,000,000 bonds, approximately the same maturity, 2.50 to 3.75 basis. Today I find the Newark bonds offered maturities 57 to 62, offered on a 3.40 basis. Approximately today. St. Paul on a 2.25 to 2.50 basis return to the investor. Cincinnati about a 2.50.

In my opinion the lack of buyers has caused that differential. I believe the buyers are no longer buying the New Jersey bonds because the question has come up in their mind as to the enforceability of certain laws of the state to [fol. 147] protect their bondholders. I have checked the market on Runnemede bonds. I checked it through an independent broker, that is a broker that acts for dealers and he told me that the market was 5 to 10 flat. That means they would bid 5 and offer bonds at 10. That is a nominal market, however.

On cross-examination by Mr. Dimock the witness testified further as follows:

Those bonds happened to be 4½'s. To reach that city of Newark 3.40 basis those bonds would have to be selling at quite a premium. It is true when I say the buyers have some question as to the enforceability of New Jersey bonds. The question has come into public print as far as I was concerned and I have offered bonds to them —. When you showed me Exhibit D-1 and asked if that advertisement is the mention in the public print to which I had reference I do not know what they read. When I offered them bonds they said "No, we have no interest in New Jersey bonds." I do not know what brought it up in their mind except the discussion in the public press. I do not know what the discussion in the public press was. No particular article. Their attitude was that they would not buy New Jersey bonds while there was any discussion. That is the only place I saw where it was in the press. I assume that it was at the time that it was in the press they objected to buying New Jersey bonds. They told me that they were not interested in New Jersey bonds until the question being discussed had been settled. I gathered that that was because they had seen the same things in the press that I had. Just general news that comes up when a question of this kind [fol. 148] comes up. There was a question in the mind of certain attorneys as to the enforceability under the Municipal Finance Act. Specialists in municipal bonds. I do not

particularly recall any names. I might know now who it was if I could see the article. I would have to have my recollection refreshed. It was not the attorneys representing the Municipal Finance Commission. I do not know who it was they represented. It probably was attorneys representing the New Jersey municipalities. It probably was. It may have been attorneys representing the creditors. They represent the creditors too some times. Well, it was probably Thompson, Wood & Hoffman.

On redirect examination by Mr. Wood the witness testified further as follows:

These people te whom I sold bonds have their own attorneys. In the last analyses they always rely on the opinion of their own attorney. In a great many cases even when I have an opinion of a bond attorney, the bonds have to be approved by their own attorney.

On cross-examination by Mr. Grossman the witness testified further as follows:

The persons to whom I offered New Jersey Municipals objected to any municipalities or counties that it included. They objected to buying anything in New Jersey. For the same reason that they refused to buy municipal bonds. They did not mean the State in particular. The way it was quoted to me yesterday, the market on Runnemede was 5 to 10. Flat. That was school district bonds. Yes. The bond dealers or brokers was Hipkins & Toppin. I would believe it approximate that the last sale of school bonds was [fol. 149] at 72 within six months. It is very probable that the largest holders of these bonds is today holding them at 70. It is very probable that that large holder is a resident of the city of Camden which is within 7 miles of Runnemede. In view of that fact I would say that was reliable information that the market was 5 to 10. Notwithstanding that information, I would think that that quotation I received was reliable, if I may explain something. You might get an order to sell bonds at 70 and be able to get out and sell them at that price sometime, but to go in the open market and ask a dealer to buy bonds, to take his money and put into it, that is what they call a 5 to 10 market. I do buy bonds for my own account. Yes; the firm that I am with, we do. I never bought any Runnemede or Runnemede school district

bonds. Neither for my own account nor for my customers. I have inquired of brokers in the Camden area what the market was on Runnemede borough and Runnemede school district bonds. Well, this bid of yesterday was made by a Philadelphia dealer to the broker. Five to 10. Yes, I do know who made that bid. C. C. Collings & Company. I know it through the broker. He told me. They quoted a market of 5 bid 10 asked. These school bonds are generally traded in. I misinterpreted your question. I thought you meant all school bonds. I would not know that there are only four holders of Runnemede bonds in the State of New Jersey, Woodmen of the World, Harley Brothers, Eldredge, Johnson and Harley Brothers is located in Camden. Very possibly somebody else might be interested. You might get a bid for bonds. You would not get an offer on it.

[fol. 150] JOHN E. WOODBRIDGE, being called and sworn as a witness in behalf of the complainant, testified as follows:

I live in Larchmont, New York. I am in the special division of the Irving Trust Company. In my work with the Irving Trust Company, I am obliged to keep track of the investment market, particularly the municipal bond market. I have had occasion to compare the price level of New Jersey municipal bonds prior to 1933 with the price level today. I have prepared a memorandum showing that. This was prepared by me myself.

This first sheet here is a comparison of the selling prices of three New Jersey municipalities in relation to other comparable municipalities. Newark, Paterson and Perth Amboy. I compared Newark with New Orleans, La., Rochester, N. Y., Buffalo, N. Y. and San Francisco, Cal. In 1930 Newark 4½'s of 39 was selling at 4.15 basis. The average price of the bond of the municipalities to which I have compared the Newark bonds was 4.15 basis. At the present time, that is within the last six months, Newark 4's of 51 was selling on a 3.50 basis and the average of the other four cities on a 2.86 basis.

I compared Paterson with Bridgeport, Conn., Norfolk, Va., Yonkers, N. Y. and Tulsa, Okla. In 1930 Paterson 4½'s of '45 were on a 4.30 basis. The average of the other four municipalities was a 4.38 basis. In 1936 the Paterson 4½, 45's ran at 3.65 basis and the average of the other four was a 2.92.

I compared Perth Amboy with Phoenix, Ariz., Woonsocket, R. I., Greenville, S. C., Galveston, Tex. and White Plains, N. Y. In 1930 the Perth Amboy bonds 4½ 1938, [fol. 151] were on a 4.30 basis. The average on the other bonds was a 4.50 basis. In 1936, the Perth Amboy 4½ of '44 were selling on a yield basis of 4.50. The average of the other bonds was a 3.14 basis. Yes, I would say that that fairly accurately reflects the situation generally throughout the state of New Jersey.

Mr. Wood: I offer this in evidence.

(Papers received and marked Exhibits P-1 and P-1a.)

On cross-examination by Mr. Dimock the witness testified further as follows:

I have no figures for dates between 1930 and the present on these bonds. I have no way of telling offhand when this difference took place. I compared Newark with New Orleans, Buffalo, Rochester and San Francisco. I did not investigate the situation. I am not prepared to state that in any one of those four cities there has been a creditors committee and a voluntary stand off agreement for the last couple of years. They are comparable on the basis of the population and the debt per capita figures. That is true all the way through. I made no attempt to compare any other municipalities in which I found the same general conditions with respect to character of population or relation between floating debt and funded debt, and that sort of thing.

"Mr. Dimock: May I renew my motion to strike out all of this testimony on the ground there is no probative value on the issue on which it is offered?

Judge Davis: Motion overruled. You may have an exception."

[fol. 152] Arthur Robinson, being called and sworn as a witness in behalf of the defendant, testified as follows:

On direct examination by Mr. Dimock the witness testified as follows:

I am a municipal bond dealer with Collier, Robinson & Company. I do business in Newark. I have been in the business about 15 years and for the last ten years particularly interested in the New Jersey municipal bonds. We purchase and sell municipal bonds for our clients and for

ourselves. In the course of that business, we have occa sion to make a study of the yields of municipal bonds.

"Q. How would you characterize the relative credit o New Jersey municipalities and other municipalities, sa since 1931?

Mr. Wood: I object to that. He has not qualified himsel to testify to that. He says that he specialized in New Jer sey bonds.

Judge Davis: Well, you may qualify him further, if yo want to."

In the course of dealing in New Jersey bonds, we have ha occasion to study the general market for municipal bonds In a general way we have done so since 1931. New Jerse municipal bonds have been somewhat lower. That has bee true since 1931. The fact that about one-third of the munici palities in New Jersey were in default in payment of prin cipal and interest in 1931 did have something to do with it That situation still exists to some extent to this day.

[fol. 153] There were several very important factors. On was that there had been what we considered faulty financ ing in the state of New Jersey, and that is to say the issu ance of temporary bonds for which there were no provision for payment except by refunding, and it was fairly obvious that if the financial conditions were not good at the time that the refunding was necessary that there would be de faults or postponements of payment or a refunding at un favorable rates, which would have created a burden and hardship on the municipalities. Other than that New Jerse had been making up budgets anticipating the full paymen of all taxes and they were not getting the full taxes and they were building up deficits. For that reason, and per haps some others, New Jersey municipal bonds sold lower There is another pretty important reason. Due to the fac that the New Jersey municipalities pay the county each yea a county tax on the basis of its assessed valuation every municipality attempts to keep its assessed valuation dow so that it pays the smallest possible amount to the county and that in turn showed municipalities in New Jersey in a bad light, because it showed a ratio of debt to assessed val uation much higher than it did in other municipalities throughout the country.

In other words, a person examining a statement through out the state would say that some municipalities in New Jer

sey had what appeared to be a debt which was 25 to 30 per cent of the assessed valuation without reference to the possible fact that the assessed valuations were not one hundred per cent.

There may have been other factors militating against the credit of New Jersey municipalities as far back as 1931. [fol. 154] New Jersey issued many bonds in a short time. It is my opinion that New Jersey municipalities now enjoy a less favorable credit position comparable to municipalities of other states.

I think there is an element in that unfavorable position, the feeling of investors generally that there is some doubt about the enforceability of New Jersey bonds. I think that there is a more or less recent development. It does exist now. The effect which this feeling of fear on account of enforceability had on the market took place on or about the time of the publication—Exhibit D-1.

FRANK L. GARY, being called and sworn as a witness in behalf of the defendant, testified as follows:

On direct examination.

By Mr. Dimock:

I am head auditor of the Municipal Finance Commission. That has to do with the financial affairs of the municipalities of the state of New Jersey. I am in general familiar with the financial affairs of New Jersey municipalities. Relief is financed in New Jersey through the local budgets in addition to the aid given by the state. The amount of money given by the State is determined by a committee which the legislature has created. Mr. Mudd is chairman, I believe. The State relief funds have had many sources. At the present time I believe they are using money received from inheritance tax purposes. At one time there was a sales tax in New Jersey. The purpose of that was to finance State relief. The proportion of the State's contribution and the municipalities' contribution to the State's relief varies in a great many municipalities. I do not know the exact basis [fol. 155] upon which that is handed out to the various municipalities, although I understand that in the municipalities that are in great distress and some of the others, those that are in greater distress, get a larger proportion-

ate share of the moneys that are distributed. I think between 60 and 70 New Jersey municipalities are at pre in default in payment of principal and interest on their d It is true that in 1931 there were as many as one-third of municipalities of the State in that condition. The city Jersey City to my knowledge has not defaulted in its d The city of Camden has had a complete refunding. I true that in Newark there was a creditors committee for which entered into a standstill agreement. The city Asbury Park is in default in the payment of its princ and interest. The city of Atlantic City still has not c pleted its refunding. The township of North Bergen i default. I just can't recall just which other large ci there are at the present time which are or have been in fault in the payment of their public debt, although there two pretty large counties that were pretty seriously in fault, Camden county and Atlantic county, both of which funded recently. These are the only two counties which funded.

On cross-examination by Mr. Wood the witness testi further as follows:

As I have said, I cannot tell you the form under which State relief funds are allowed to the municipalities of State.

[fol. 156] Lawrence Edward Chermak, being called sworn as a witness in behalf of the defendants, testifie follows:

On direct examination.

By Mr. Dimock:

I am a law clerk at the present time. I am employe your firm. I prepared that table from the public rec of the prices of bonds in the New York bond market, paper which you showed me headed "Comparison of B Figures", which purports to show the names of munici ties, population, description of bonds and basis upon w they were sold, which you have been using in the cr examination of witnesses. It is correct.

Mr. Dimock: I offer it in evidence.

(Received and marked Exhibit D-3.)

(Here follows one paster, side folio 157)

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[fol. 157]

EXHIBIT "P-1"

Selling Prices of Three New Jersey Municipalities in Relation to Other Comparable Municipalities

City or Town	1930 U. S. Census Population	Total Net Debt (000)	Debt Per Capita	Tax Rate Par $1,000	Total Assessed Value	Assessed Value per Capita	Coupon	Maturity	Yield	Quotation Obtained From
Newark, New Jersey	442,337	$112,738	$254.87	$33.60 (35)	$943,602 (100%)	$2,133	4	1951	3.50	J. B. Hanauer
Average	498 591	105,802	206.27	.....	.....	.....	...	....	2.86	.....
New Orleans, La	458,762	80,227	179.93	38.75 (35)	435,107 (100%)	948	4½	1950	3.55	Chronicle 8/6/36 P. 94
Rochester, N. Y	328,132	58,559	178.45	33.76	632,748 (78%)	1,928	4	1947	2.20	Roosevelt & Wiegand
					811,716 (actual)	2,474				
Buffalo, N. Y	573,076	108,913	190.04	28.60	962,298 (100%)	1,679	3.9	1951	3.00	Chemical
San Francisco, Calif	634,394	175,517	276.66	36.82	1,141,815 (45%)	1,800	4	1949	2.70	Schwabacher & Co.
					2,537,366 (actual)	3,966				
Paterson, New Jersey	138,513	17,103	123.47	37.40	183,199 (100%)	1,322	4½	45	3.65	J. B. Hanauer
Average	138,082	21,045	155.60	.....	.....	.....	...	....	2.92	.....
Bridgeport, Conn	146,716	11,709	79.76	31.80	234,551 (100%)	1,599	4½	45	2.30	Quist
Norfolk, Va	129,710	30,100	232.05	28.00	161,201 (100%)	1,243	4½	47	3.25	Quist
Yonkers, N. Y	134,646	30,636	227.52	33.96	326,024 (100%)	2,421	4½	45	3.15	Quist
Tulsa, Okla	141,258	11,738	83.09	24.32	101,238 (50%)	716	5½	47	3.00	Harris Trust
Perth Amboy, New Jersey	43,516	10,766	247.40	55.77	50,814	1,168	4½	44	4.50	J. B. Hanauer
Average	35,917	7,939	211.92	.....	.....	.....	...	....	3.14	.....
Phoenix, Ariz	48,118	9,279	192.80	63.10	64,142 (66%)	1,333	4	48	3.15	Chemical
Woonsocket, R. I	49,376	5,729	116.00	25.00	75,680 (100%)	1,532	4½	41	2.75	Chronicle 8/6/36 P. 98
Greenville, S. C	29,154	5,410	185.57	45.00	8,866 (10%)	304	5	42	3.40	" " "
Galveston, Tex	52,938	8,510	160.70	37.50	58,189 (75%)	1,099	5	44	3.125	" " P. 99
White Plains, N. Y	35,830	14,494	404.52	24.28	166,243 (100%)	4,639	4¼	44	3.00	Irving

August 21, 1936.

[Vol. 158]

EXHIBIT "P-2"

Comparison of Yield Basis Prices of Certain New Jersey Obligations with the Obligations of Other Municipalities

Bank and Quotation Record dated July 11, 1930

	Rate	Maturity	Yield Basis 1936	Rate	Maturity	Yield Basis 1930	
Newark, N. J.	4%	1951	3.50	4½%	1950	4.15	
Average			2.86			4.15	
New Orleans, La.	4½	1950	3.55	4½	1942–66	4.35	
Rochester, N. Y.	4	1947	2.20	4½	1948	4.05	
Buffalo, N. Y.	3.9	1951	3.00	4½	1964	4.00	
San Francisco, Calif.	4	1949	2.70	5	1952	4.20	
Paterson, N. J.	4½	1945	3.65	4½	1945	4.30	
Average			2.92			4.38	
Bridgeport, Conn.	4½	1945	2.30	4½	1931–65	4.17	Ave.
Norfolk, Va.	4½	1947	3.25	4½	1942	4.75	
Yonkers, N. Y.	4½	1945	3.15	4½	1937–49	4.05	
Tulsa, Okla.	5½	1947	3.00	5½	1947	4.55	Ave.
Perth Amboy, N. J.	4½	1944	4.50	4½	1938	4.30	
Average			3.14			4.50	
Phoenix, Ariz.	4	1948	3.15	4½	1932–56	4.50	
Woonsocket, R. I.	4½	1941	2.75	4½	1944	4.40	
Greenville, S. C.	5	1942	3.40	5	1942	4.65	Ave.
Galveston, Tex.	5	1944	3.125	5	1944	4.90	
White Plains, N. Y.	4¼	1944	3.00	4¼	1935–59	4.15	Ave.

August 29, 1936.

(Here follow four photolithographs, side folios 159

EXHIBIT "D-1"

Committee for Bondholders
of
TOWNSHIP OF NORTH BERGEN, NEW JERSEY

Committee
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Associate Counsel
ARTHUR T. VANDERBILT, Esq.
790 Broad Street
Newark, N. J.

January 21, 1936.

To Depositors with this Committee and Other Creditors of the Township of North Bergen, New Jersey:

A plan of readjustment of the indebtedness of the Township of North Bergen, New Jersey, proposed by the so-called "Conciliation Committee", has been made public, and the assent of the bondholders of the Township to the plan is now being requested, with the view of instituting a bankruptcy proceeding under the so-called "Federal Municipal Bankruptcy Act". This plan has been given careful consideration by this Committee and its counsel and it is with sincere regret that the Committee finds it not acceptable.

In the main the Committee is agreeable to the proposals respecting interest rates and maturities. The plan, however, ignores the effect of certain administrative practices of the officials in charge of the fiscal affairs of the Township. This Committee believes that such must be considered by all creditors and dealt with in any plan to provide permanent security and restoration of the credit of the Township. Such safeguards undoubtedly could be formulated by creditors thoroughly acquainted with all the facts. It is because of the absence of these necessities and for other substantial reasons that this Committee regrets that it is necessary to reject the plan in whole, and it recommends similar action by all other bondholders.

The Committee's objection to the refunding plan is due primarily to the fact that, regardless of the financial terms of the proposed bonds or the covenants to be made by the Township to insure their payment, such bonds like all bonds issued under the present laws of the State of New Jersey, by municipal corporations of that State are, in its opinion and that of its counsel, unenforceable in law as well as in practice, and the holder of such bonds is compelled to rely for their payment solely upon the good faith of the officials of the issuing municipality and of the Municipal Finance Commission of the State of New Jersey.

The Committee is advised by its counsel that all statutes of the State, in force at the time a municipal bond is issued, enter into and become a part of the contract made upon the bonds. Under the provisions of an act entitled "An Act Concerning Municipal Finances" (Chapter 340 of the Laws of New Jersey 1931, as amended and supplemented), whenever a municipal corporation defaults it may file a petition in the Supreme Court of New Jersey, the effect of which is to cause the Municipal Finance Commission to function in that municipality. The Municipal Finance Commission is now functioning in the Township of North Bergen, and if the Township should default upon the refunding bonds proposed to be issued under the plan of readjustment, suggested by the so-called "Conciliation Committee", it would undoubtedly again function in the Township upon the petition of the Township. The powers which this legislation vests in the Municipal Finance Commission and the restrictions which it imposes upon the rights of creditors, all become a part of the contract made with the holders of the proposed refunding bonds, and supplement and modify the covenants made in those bonds and the rights which they purport to give to their holders thereof.

One of the supplements to the Act Concerning Municipal Finances, to wit, Chapter 292 of the Laws of 1935, authorizes the Municipal Finance Commission, by resolution, to determine "the maximum amount for any purpose of expenditure * * * which may be included in any annual budget or tax

ordinance and certify the same to the governing body of the municipality and to the county board of taxation, and *no appropriation or tax levy for any purpose* * * * shall to the extent that it exceeds the maximum amount so fixed by the Commission be valid or effective".

Under the quoted provisions of this statute, the Municipal Finance Commission may, at any time, when it is functioning in a municipality, reduce, in any amount, in its discretion, the appropriation made for the payment of the principal and interest of the bonds of any community in which it is functioning. This statute will become part of the contract embodied in the proposed refunding bonds, and the bondholders, by accepting the bonds, will assent to its provisions, so that they would have no ground to complain in any court, State or Federal, if the Municipal Finance Commission should almost completely remove from the budget the appropriation made in any year for debt service. The covenants, therefore, for the levy of taxes, contained in the proposed plan of readjustment, are unenforceable in law as well as practice by the bondholders, and for their observance the bondholders would be compelled to rely solely upon the good faith and discretion of the Township officials and of the Municipal Finance Commission of the State of New Jersey.

The Municipal Finance Commission Act, moreover, contains limitations of a serious character upon the right of a holder of bonds, issued by a municipal corporation in New Jersey, to sue for the enforcement of the obligation. Before a bondholder holding a bond issued after the enactment of this Act and therefore subject to its provisions may bring a suit for a writ of mandamus to compel the payment of his obligation, he is obliged, first, to institute a suit in the Supreme Court of New Jersey for permission to bring the suit for mandamus, and, if he obtains permission to bring such a suit, he may not sue on behalf of himself, but is required to sue on behalf of all bondholders. It is contended by counsel for the Municipal Finance Commission, in several suits now pending in the Courts, that this statute provides the exclusive remedy for the enforcement of municipal securities in the State of New Jersey, and that it ousts even the Federal courts of jurisdiction to compel the observance of the contracts made with the bondholders.

It is also contended by the Municipal Finance Commission and by its counsel that the statute prevents the holder of any bonds, who has reduced his claim to judgment, from obtaining a special levy, for the payment thereof, under another existing statute of the State of New Jersey, known as the "Execution Act", and that his only remedy, if he has one, is to sue on behalf of all bondholders, subject to the limitations of the Act Concerning Municipal Finances, and obtain the inclusion in the budget of whatever amount is ordered by the Court to be provided in that year for the payment of the claims of all of the bondholders of the municipality.

That remedy, under conditions prevailing when a municipality is in default, is of little value to the bondholders, for, under the laws of New Jersey as they now exist, the claim of a bondholder upon the tax levy of the municipality is the fourth, and in some instances, the fifth lien upon the revenues. Under these laws the first moneys collected by the municipality must be paid to the State to satisfy the State tax. The next moneys must be paid to the county to satisfy its tax in full. If there is any overlapping school district, the next moneys must be paid to the school district until its claims are met in full. The next moneys collected are applied to current operating expenses of the municipality, and the balance, if any, is subject to the claims of the bondholders.

It is perfectly obvious that if there be any substantial amount of delinquency in the payment of current taxes, after all these prior claims upon the revenues are met, there will be no current taxes available for the payment of the claims of bondholders. In fact, the levy of a tax ostensibly for the payment of debt service, merely has the effect of insuring the payment of the claims of the State and county and school district and the current operating expenses of the municipality.

Moreover, the Municipal Finance Commission asserts the right, under this statute, to withhold any funds that are collected which might be available for the payment of the claims of creditors, and has, in fact, done so in a number of communities in which it is operating. In the case of Edwin H. Barker *et als.* v. The Township of North Bergen, now pending in the United States District Court, District of New Jersey, the Chairman of the Municipal Finance Commission testified that the Commission is functioning in twelve communities in that State, and that it has functioned in some of those municipalities for several years. He testified that in each of these municipalities during the time the Commission was functioning tax levies were made for the payment of the claims of bondholders, but that nothing had been paid to any bondholder, with the exception of one coupon on the outstanding refunding bonds of the Township of North Bergen and a preferential payment of principal and interest which had been made to the holders of certain school bonds of that township. In answer to the question what became of that part of the levy made by those communities for debt service, which was collected during the time the Commission was functioning, he answered:

"It has gone for the payment of State and County taxes for the payment due out of the tax levy for local school purposes and for operating expenses."

The following question was also asked the Chairman of the Commission:

"So that the mere fact that the Commission approves a budget which contains an item for the benefit of bondholders and noteholders does not mean that the bondholders and noteholders are going to get any money?"

His answer was:

"No; in some cases there have been mandamuses issued for the payment of State and county taxes."

The Chairman of the Municipal Finance Commission further admitted in testifying in this case, that a very large sum of debt service money had been permitted to accumulate in the Township of North Bergen (your Committee contends this sum aggregates approximately $1,806,000), whereupon the Court addressed the Chairman as follows:

"Well I gather from your testimony that the only reason why funds that have accumulated in these different accounts are not disbursed to those entitled to them is that you feel that by holding them for a while the municipality will be in a better position to cause its creditors to agree upon a plan of refinancing.

A. Yes, sir.

Q. Is that correct?

A. That is correct.

Q. That would mean, would it not, in the last analysis, that what is being done is the withholding of these funds as a sort of a club over the heads of creditors until such time as they may be forced to come in by virtue of this holding out?

A. Some people look on it in that light, your Honor, but added to that, added to that, so far as I am concerned, is this, that these funds come from several different sources."

We have set forth these quotations from the testimony of the Chairman of the Municipal Finance Commission for the enlightenment of any bondholder who feels that he is safe in waiving his right to enforce in the Courts the obligations of his bond and in relying upon the Municipal Finance Commission to enforce his rights for him.

All of the statutes, of which your Committee complains, were enacted after the outstanding bonds of the Township of North Bergen were issued, and in the opinion of counsel for the Committee violate the Constitution of the United States in that they impair the obligation of contract. Bonds issued since the passage of these statutes, however, are subject to the limitations prescribed by those acts, and they would, therefore, be perfectly valid so far as concerns refunding bonds issued while they are in effect. Section 210 of the Act Concerning Municipal Finances, as amended by Chapter 225 of the Laws of New Jersey 1935, contains a provision authorizing the inclusion in the resolution, adopted by the municipality for the issuance of refunding bonds, of a provision that "in case of default in payment of the principal of or interest on any such note or bond, the holder thereof shall not only have all his rights and remedies thereunder, but in addition shall be reinvested with such of the rights or remedies which he would have had were he then the owner and in possession of the instrument in exchange for which such note or bond shall have been issued as may be specified in such resolution". It is not entirely clear to what extent the Township might, under the authority of this statute, reserve to the holders of the proposed refunding bonds the rights which they possessed prior to the enactment of the statutes, which are objected to by your Committee, but the Committee deems it significant that, not only does the plan make no provision for such a preservation of rights, but, on the contrary, expressly provides that the bondholders, by accepting refunding bonds, shall surrender any rights which they have upon the outstanding bonds. Just what motivated the so-called "Conciliation Committee" to ignore this statutory provision for the preservation of rights of creditors is unknown to your Committee.

In view of the fact that your Committee is advised that counsel for the "Conciliation Committee" were the attorneys for the Municipal Finance Commission, it feels justified in urging all bondholders to consult their own counsel before expressing any opinion regarding the merits of the proposed refunding plan. In making this recommendation the Committee does not question the integrity either of the members of the "Conciliation Committee" or of its counsel, but it does feel that bondholders are entitled to and require the advice of independent counsel upon a matter of such far-reaching importance to them.

When the laws of New Jersey permit of the issuance of refunding bonds which, in the opinion of this Committee and its counsel, are enforceable obligations, the Committee will be glad to accept a refunding plan providing for the issuance of refunding bonds, of the maturities and bearing the rates of interest proposed by the "Conciliation Committee". In the meantime, the Committee feels obligated to continue the litigation which it has instituted for the protection of the rights of its depositors.

It has been announced in the current press that the Municipal Finance Commission of New Jersey has approved the proposals of the "Conciliation Committee". Bondholders need not be unnecessarily disturbed thereby. Such action by the Municipal Finance Commission does not in itself deprive bondholders of their rights, nor bind non-assenting holders to the terms of any proposals so approved. Expressions of approval were given by said Commission to the plan proposed by the Seaboard Trust Co. and to other proposals instigated by those in charge of the fiscal affairs of the Township of North Bergen.

The Committee would remind bondholders that the current default of this Township is the second serious default, following an original one, all within the short period of four years. Therefore, in order to best protect bondholders and the Township against a repetition of these defaults, this Committee deems it necessary to reject all proposals such as those of the Conciliation Committee, which may be deemed expedient, but which lack legally enforceable pledges necessary to afford such protection.

In rejecting the proposals of the "Conciliation Committee" and other similar proposals and in resisting their application to deposited bonds, this Committee has taken its stand only upon the advice of and in keeping with the counsel of competent legal authority engaged by the Committee for this purpose. Bondholders desiring protection against possible loss resulting from the attempt contemplated by the "Conciliation Committee" to proceed to enforce its proposals through the operation of proceedings under the "Federal Municipal Bankruptcy Act", and against possible loss resulting from a continuation of the administrative program of those in charge of the fiscal affairs of the Township, are invited to deposit their bonds with this Committee.

Copies of the Deposit Agreement and further information can be obtained from the Secretary.

Respectfully submitted,

EDWIN H. BARKER
THOMAS E. HARPER
HUGH D. MONTGOMERY
PHILIP A. RUSSELL
As a Committee.

[fol. 163] Advertisement from New York Times, January 21, 1936

To Holders of Bonds or Other Financial Obligations of the Township of North Bergen, New Jersey:

This Committee announces its rejection of the proposals for refunding the indebtedness of the Township presented to bondholders by the so-called Conciliation Committee.

The Committee's objection to the refunding plan is due primarily to the fact that regardless of the financial terms of the proposed bonds or the covenants to be made by the Township to insure their payment, such bonds like all bonds issued under the present laws of the State of New Jersey by municipal corporations of that State are, in its opinion and that of its counsel, unenforceable, and the holders thereof are compelled by the effect of these statutes to rely for their payment solely upon the good faith of the officials of the issuing municipality and of the Municipal Finance Commission of the State of New Jersey.

Detailed comments upon these statutes and their effect are embodied in a report to bondholders, copies of which can be secured by addressing the Secretary, W. D. Bradford, 115 Broadway, New York City.

Dated, January 21, 1936.

Committee for Bondholders: Thomas E. Harper, Hugh D. Montgomery, Philip A. Russell, Edwin H. Baker, Chairman, 100 Broadway, N. Y. C.

W. D. Bradford, Secretary, 115 Broadway, N. Y. C.

General Counsel:
Thomson, Wood & Hoffman,
2 Wall Street, N. Y. C.

Associate Counsel:
Arthur T. Vanderbilt,
790 Broad Street, Newark, N. J.

Depositary:
Irving Trust Company,
1 Wall Street, N. Y. C.

(Here follows one photolithograph, side folio 164)

EXHIBIT "D-2"

Committee for Bondholders
of

TOWNSHIP OF NORTH BERGEN, NEW JERSEY

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March 9, 1936.

To Depositors with this Committee and other Bondholders of the Township of North Bergen, New Jersey:

It is apparent from the number of inquiries coming to the Committee that many depositors and other holders of bonds of the Township of North Bergen are under the impression that the repeal of Section 2 of Chapter 292 of the Laws of 1935 by the Legislature of the State of New Jersey on January 27th, removes all objections of this Committee to the limitations upon the enforceability of the proposed refunding bonds to be issued under the plan of refunding proposed by the Conciliation Committee. The Committee, therefore, desires to make clear that the repeal of said Section 2 of Chapter 292, Laws of 1935, does not remove all of the objections to existing laws mentioned in the Committee's report of January 21st, 1936, and accordingly the Committee is still unable to advise bondholders to accept refunding bonds under the proposed plan of the Conciliation Committee.

The repeal of Section 2 of Chapter 292 was undoubtedly a step forward, and it is unfortunate that the repealing act could not have been a part of a constructive program of legislation designed to confer on bonds being presently issued the same remedies, in case of default, as existed prior to the enactment of Article III-A of the Municipal Finance Commission Act. Meantime, it would seem advisable for bondholders to continue to insist upon the right to receive refunding bonds with remedies at least as adequate and efficient as those existing upon the bonds they are called upon to surrender. The Committee is proceeding to establish as speedily as possible in the Federal Courts the rights possessed by the outstanding bonds.

The Committee requests all bondholders to join in this effort and accordingly invites all bondholders who have not yet deposited their bonds with this Committee to do so at once. Further information and forms of letters of transmittal can be obtained by addressing the Secretary, W. D. Bradford, 115 Broadway, New York City.

Respectfully submitted,

Committee for Bondholders of the
Township of North Bergen, New Jersey.

THOMAS E. HARPER,
HUGH D. MONTGOMERY,
PHILIP A. RUSSELL,
EDWIN H. BARKER, *Chairman.*

[fol. 165] EXHIBIT "D-3"

Comparison of Basis Figures

Municipality	1930 Population	1929 Term Years	1929 Basis %	1935 Term Years	1935 Basis %
*Newark, N. J.	442,337	20	4.49	20	3.45
Buffalo, N. Y.	573,076	15	4.09	13	3.49
Trenton, N. J.	123,356	16 1/3	4.20	16	3.19
*Albany, N. Y.	127,412	16	4.18	10	2.08
*Montclair, N. J.	42,017	13	4.68	13	2.85
White Plains, N. Y.	35,830	13	4.27	13	3.65
Bayonne, N. J.	88,979	11	4.47	11	3.16
*Schenectady, N. Y.	95,692	10	4.32	10	2.46
		1928			
Summit, N. J.	14,556	15	3.97	3 5/6	1.91
New Rochelle, N. Y.	54,000	15	4.23	6 1/3	2.57
*Paterson, N. J.	138,513	19	4.33	21	3.47
Yonkers, N. Y.	134,646	15	3.91	10	3.74
*West Orange, N. J.	24,327	15 1/3	4.18	15 1/3	2.65
Ithaca, N. Y.	20,708	11 3/4	3.87	11 3/4	3.17
*Passaic, N. J.	62,959	21	4.29	29	3.90
Mt. Vernon, N. Y.	61,499	11	4.23	11	4.00

* More favorable showing.

[fol. 166] IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

In Equity. E-5025

EDWIN H. BARKER et al., Plaintiffs,

vs.

TOWNSHIP OF NORTH BERGEN et al., Defendants.

Final Hearing

Statement of Evidence

Before Hon. Guy L. Fake, U. S. D. J.

Newark, N. J., Monday, Dec. 16 and 23, 1935.

APPEARANCES

Arthur T. Vanderbilt, Esq., F. W. Hall, Esq., Messrs. Thomson, Wood & Hoffman, by David M. Wood, Esq., and Richard M. Maxwell, Esq., for plaintiffs.

Hon. William A. Stevens, Esq., Messrs. Hawkins, Delafield & Longfellow, by E. J. Dimock, Esq., and B. L. Visscher, Esq., for Municipal Finance Commission.

Nicholas S. Schloeder, Esq., for defendants.

Messrs. Burke, Sheridan & Hourigan, by John H. Sheridan, Esq., for Seaboard Trust Company.

Messrs. McDermott, Enright & Carpenter, by James D. Carpenter, Jr., Esq., for Metropolitan Life Insurance Company and other life insurance companies.

Messrs. Schwartz & Schwartz, by Selig Schwartz, Esq., for a bondholder.

(P. 114)

* * * * * * *

WALTER R. DARBY, called and sworn on behalf of the plaintiff, testified in part as follows, on direct examination by Mr. Vanderbilt:

Q. And who are the members of the Commission?

A. The State Tax Commissioner, the Attorney General and now the State Auditor; under an Act of the Legislature I became State Auditor on July 1, 1933.

Q. And you are more or less familiar, I take it, with the work that the other two members of the Commission have to do?

A. I am.

[fol. 167] Q. I suppose there is no doubt, is there, that the three men who have been picked to be members of that Commission are perhaps three of the busiest men attending to the government of the State?

A. I can speak with assurance with regard to one of them.

Q. Namely yourself. You are fairly familiar, I think, with the fact that that would apply also to the other two?

A. They are busy men, yes.

Q. Now, what is the purpose of the Municipal Finance Commission?

A. I would say that the purpose or the function of the Municipal Finance Commission is to act in an advisory and supervisory capacity to municipalities which come under its jurisdiction.

(P. 72-73)

* * * * * * *

Q. Now, have there been any payments to bondholders in any of the municipalities that have come under the jurisdiction of the Municipal Finance Commission?

A. Either principal or interest, or both?

Q. Well, start with principal.

A. My general answer to that would be No, on the theory that the Municipal Finance Commission is—one of its functions is to prevent that sort of thing. In other words, if a bondholder cannot be paid in full, then nobody gets paid.

Q. Anything.

A. There have been some exceptions. One of which is this school funding bond issue in North Bergen.

Q. Well, barring some very unusual case such as this resolution which was just read into the record by the Township Clerk, there have been no payments of principal to any [fol. 168] bond holder or note holder in any of the twelve municipalities in which the Commission is functioning?

A. Generally speaking, that is true.

Q. And you so testified before the Securities & Exchange Commission?

A. Yes, sir.

Q. Now, have there been payments of interest to the bond or note holders in these twelve municipalities since the Commission——

A. The only one which I recollect is this school—the interest on the school funding issue of North Bergen.

Q. That is this particular resolution that was read?

A. I wasn't here when Mr. Beisch testified.

Q. Well, it is the resolution——

The Court: Let him read it. Take a recess for a minute and read it.

Q. That is the only exception that you know of?

A. There is another exception as in the Borough of Manville which was refunded and the interest that was paid was paid ratably and equitably to all.

The Court: At the time the interest was paid to the holders of these school bonds were there other bonds of the municipality in default?

The Witness: I think so, yes.

The Court: Upon what theory then was the payment approved by your Commission?

The Witness: On the theory of economy because the arrangement was that the bonds bore 6% interest and the holders of these bonds agreed to accept one coupon during the year for the full year's interest. In other words, accept 3%.

[fol. 169] The Court: How could you say you were not giving a preference without first having marshalled all the assets?

The Witness: I cannot answer that.

Q. Well now, in the case of Manville was there any interest paid there before the refunding was completed?

A. Not to my recollection. Adjustment of interest was made upon the refunding.

Q. Yes. Now, barring the exception of Manville, where interest was paid on the refunding plan being put through, and barring the payment of principal and interest on the school bonds of North Bergen, which are referred to in the resolution of the Township of December 5, and in the resolution of your Commission of December 7, has any interest been paid to any creditors of any of these twelve municipalities since the Commission began to function in them?

A. An arrangement was entered into with all the creditors of the Borough of Lavallette in which they agreed to accept ratably the amount of money which was available for the payment, and also agreed to reduce the interest for 1936 to 4%.

Q. And have they been paid interest under that arrangement?

A. Not as yet.

Q. Well, I am dealing now with those who have been paid interest as distinguished from those where arrangements were made to pay interest in the future.

A. My recollection is that there aren't any others.

Q. Every one of these municipalities had funds on hand in their sinking fund and assessment fund and reserve fund, that might have been paid out to bondholders and noteholders?

A. To a greater or less extent, yes.

(P. 78-80)

* * * * * * *

[fol. 170] The witness testified in part further as follows, on cross-examination by Mr. Dimock:

Q. Well, Mr. Darby, in this case does the Commission believe that the bonds should be impounded indefinitely until a refunding plan can be agreed upon?

Mr. Vanderbilt: May I have my objection noted, without burdening the record with the reasons?

The Court: Yes.

A. No, not indefinitely; but the funds, these funds, should be used in connection with a refinancing plan.

Q. Well, assuming that a refunding plan was despaired of, would the Municipal Finance Commission be prepared to direct the distribution of the bond funds?

A. I would say not.

Q. Well, why not, Mr. Darby?

A. Because there are questions involving the status of the creditors with respect to these funds, not only the bondholders but other creditors.

Q. How does the Commission think that those questions ought to be determined?

A. They should be determined by some court of competent jurisdiction.

Q. I understand that you would favor that only as a last resort.

A. Yes.

(P. 121)

* * * * * * * *

Q. (Pending question read by the Reporter as follows: "Will you state in general your reasons for believing that the bond funds of North Bergen should be impounded until a refunding agreement can be made?")

A. Well, my view as to that is that a municipality should be brought out of default as promptly as possible; but my [fol. 171] feeling also is that the creditors should recognize the condition of the municipality, because if it is admitted, as I think it is, that the municipality is not able to meet its obligations at the present rates and with the present maturities, to continue the default simply increase the load and tends to defeat any reorganization or refinancing.

Q. Now, what is the bearing of that, Mr. Darby, on the question of whether these bond funds should be distributed presently or retained pending a reasonable opportunity for a refunding plan?

A. The municipality isn't able to pay what it owes on its debts now. If it were, the debts would be paid. To continue it simply increases the amount of the default in an ever increasing amount; and I don't know when any reorganization might be effected under those conditions.

Q. You mean if the bond funds were paid out——

A. Yes.

Q. ——as fast as they accrue?

A. If these bond funds are paid out as they accrue, the municipality would still be in default, and an ever increasing default.

Q. That is, you believe that there must be some cash funds to be distributed to accomplish a refunding plan.

A. Yes; otherwise the creditors are not willing to accept a refunding plan, unless there is some cash involved in it.

Q. So that you believe that a distribution of these bond funds now would postpone a refunding of the municipality?

A. I certainly do.

By the Court:

Q. Well, in no instance could these funds be turned over to anyone other than the individuals entitled to them.

A. No, your Honor.

[fol. 172] Q. Then what difference would it make whether you pay them out now or in the future?

A. Well, I feel this, that it is both to the interest of the creditors and the municipality to bring the municipality out of default under a plan by which that municipality may reasonably be expected to maintain its payments in the future.

(P. 140-141)

* * * * * * *

The witness testified in part further as follows, on redirect examination by Mr. Vanderbilt:

By the Court:

Q. Well, I gather from your testimony that the only reason why funds that have accumulated in these different accounts are not disbursed to those entitled to them is that you feel that by holding them for a while the municipality will be in a better position to cause its creditors to agree upon a plan of refinancing.

A. Yes, sir.

Q. Is that correct?

A. That is correct.

Q. That would mean, would it not, in the last analysis, that what is being done is the withholding of these funds

as a sort of a club over the heads of creditors until such time as they may be forced to come in by virtue of this holding out.

A. Some people look on it in that light, your Honor, but added to that, added to that so far as I am concerned, is this, that these funds come from several different sources.

(P-. 156-57)

[fol. 173] In United States District Court, District of New Jersey

In Mandamus

United States of America ex Rel. Sovereign Camp, Woodmen of the World, Relator,

vs.

Board of Education of the Borough of Runnemede in the County of Camden, a Body Corporate of the State of New Jersey, et als., Defendants

Narrative Reduction of Transcript of Record

Statement of Evidence

Appearances

Arthur T. Vanderbilt, Esq., for plaintiff-relator.
William A. Stevens, Esq., E. J. Dimock, Esq., for Municipal Finance Commission.
Henry M. Evans, Esq., for School District of Runnemede.

Transcript of Proceedings Taken at Camden, N. J., April 3, 1936, Before Hon. John Boyd Avis

"Mr. Dimock: At the outset, on behalf of the Municipal Finance Commission, I should like to file a petition to intervene.

The Court: That was done in the other case, was it not?
Mr. Vanderbilt: Over my objection.
The Court: Do you object to it now?
Mr. Vanderbilt: Yes.

The Court: All right, the motion for filing will be granted and an exception allowed.

Exception noted.

Mr. Vanderbilt: May I have the objections which were noted in the other case noted here without taking the time of the court to repeat them?

The Court: Yes——

Mr. Vanderbilt: Mr. Dimock and I agreed the other day that certain of the questions which were asked in the [fol. 174] Chester Township case relating to the Municipal Finance Commission might stand in this case, if counsel for Runnemede were agreeable. It would be a mere duplication of testimony to repeat them. * * * The line as to the general activities of the Municipal Finance Commission and the scope of its authority in general, not bearing upon this particular municipality——

The Court: Very well. That may be agreed to then."*

Thereafter and following further proceedings, Frank L. Gary, called and sworn as a witness in behalf of the plaintiff-relator, testified in substance as follows:

I am the head auditor of the Municipal Finance Commission, since the creation of the Commission under the Act. I am familiar with the work of the Commission with respect to the School District of Runnemede.

The outstanding bonded indebtedness of the defendant, Board of Education of Runnemede is: Total bonds outstanding as of December 31, 1935, were $171,000, of which $28,600 were in default. The interest in default up to December 1, 1935, was $37,054.19. They are all serial bonds.

The total Borough of Runnemede bonds, as distinguished from the School debt, as of December 31, 1935, was $217,000, of which $78,000 were in default. That means they are past due as to principal. The interest due on December 31, 1935, was $40,997.91. These are all serial bonds. You will have to add the two together to get the total of the combined school district and municipality.

As of December 31, 1935, the total owed on state taxes was $5,345.56; county taxes, $28,108.96. The state and county taxes have been reduced $7,479.63 between January

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* (See narrative statement of Chester Township record infra, Exh. —, fol. —.)

1st and March 31st of this year. Part of that was reduced with Camden County scrip.

[fol. 175] The first default on the Board of Education bonds as to principal was June 1, 1931. The same date as to interest. Payments have been made to bondholders on these obligations since that date, in the school district. I do not have the last date, but I can tell you generally that it was in the latter part of 1933 as a result of some litigation of the Woodmen of the World, or threatened litigation—apparently the relator in this case. Up to the end of 1933 they had some sort of a compromise settlement on the past due bonds. I could get that information for you. I do not specifically have what that settlement was. Since 1933 nothing has been paid to bondholders for principal or interest. The settlement was made exclusively with the Woodmen of the World. The general bonds were not brought up to a parity with the Woodmen of the World at that time. There are some bonds which are still in default from 1931.

The date of the borough's first default was, for both principal and interest, June 1, 1932. That is the last date of payment to borough bondholders, with the exception, of course, of the bonds that were purchased through a broker, —purchased by the municipality.

The Municipal Finance Commission was called into Runnemede in May, 1934, and has been functioning there ever since.

The ratables and tax rate per hundred from 1932 to 1936, inclusive, were:

	Ratables	Tax Rate per hundred
1932	$2,079,229	$4.68
1933	1,873,248	5.60
1934	1,844,812	5.42
1935	1,797,752	5.76
1936	1,790,000	5.66 estimated.

The properties are assessed at approximately 100%. I do not know whether it is otherwise. I cannot say other than the fact that it is 100%, because I have never made a study [fol. 176] of it. The best I can say is that I believe they are living up to the Constitution. My attention has not been called to any contrary situation. There are practically

no appeals in the Borough of Runnemede. The people seem to be pretty well satisfied. There are a number of municipalities assessed on a 100% basis and it can reasonably be proven they are, from recent sales. I have no first hand knowledge myself. The total tax levy for those years was, for borough and school district, showing amounts levied for debt service:

Year	Borough Budget	Borough Debt Levy	School Budget	School Fiscal Year	School Debt Levy
1932.....	$97,357.05	$30,936.89	$49,018.81	7/1/31-6/30/32	$21,347.8
1933.....	103,027.01	36,747.34	47,915.02	7/1/32-6/30/33	16,518.8
1934.....	99,744.35	30,013.23	44,957.85	7/1/33-6/30/34	15,717.8
1935.....	103,391.77	18,853.73	48,781.00	7/1/34-6/30/35	15,337.8
1936 est....	101,330.60	15,212.50	44,777.34	7/1/35-6/30/36	16,335.0
				7/1/36-6/30/37	15,445.0

In each cash the full statutory levy for debt service was made covering mandatory requirements. Bonds were provided for at the contracted maturing amounts and interest at the contracted rate. I might say that both in the municipality and the school district prior to the Municipal Finance Commission coming in that they did not provide for interest on defaulted bonds. However, as soon as we had control of making up the budgets we did put the interest in at the contract rate on the defaulted bonds. I could illustrate it this way. Suppose in 1933, the total outstanding bonds would be $300,000 and $10,000 of bonds had fallen due during that year. In 1934 they would only compute the interest on $290,000 of bonds, but when we came in we put in the interest on what would be $300,000 at the contract rate. We have picked up and put in the next budget the interest which had been left out by the borough in the preceding year. We have at the present time reserves to cover defaulted interest, 100% reserved appropriations. We have reserves covering defaulted principal.

[fol. 177] I do not know why bondholders were not paid before they came in our hands, but since then it has been the non-collection of taxes. We have had trouble with that municipality to get them to hold a tax sale.

I do not think I have the information as to when the last tax sale was held in Runnemede. The analyses I have here show there were considerable transfers to liens in the year 1931. Now, they could not transfer to liens without a tax sale, so it must have been held in that year. There has not been a tax sale since. The Municipal Finance Commission has gone on record instructing the municipality to hold a tax sale forthwith at least two or three times to my

knowledge. I do not have the dates here. They would be in the minutes of the Municipal Finance Commission relating to Runnemede. We have one set of minutes covering both Runnemede borough and Runnemede school district. It is my understanding that a tax sale is being prepared and a tentative date the latter part of April has been set for the actual holding of that tax sale. A tax sale was not had in 1934 when the Commission went in because the Commission felt that it did not have the power to force the tax collector to hold the sale. The same condition prevailed in 1935. And in 1936. There has, to my knowledge, been no change in the law on that point. We can order a tax sale but we cannot seem actually to get it. To my knowledge, we have no way of enforcing action on the part of the municipal officials to actually hold a tax sale.

A taxpayer can mandamus a tax collector to hold a tax sale, which was done in Runnemede, I understand, back in 1930 or 1931, and that was the only reason they did hold the sale then. I do not think the Municipal Finance Commission has any power to order a tax sale.

[fol. 178] The file which you show me, ~~which~~ you say you obtained from Mr. Dimock, is the record of the minutes of the Municipal Finance Commission so far as it relates to Runnemede from the time that the Commission entered into operation in the municipality.

"Mr. Vanderbilt: May I offer it in evidence?

The Court: It may be marked.

(Minutes of the Municipal Finance Commission received in evidence and marked Exhibit R-1.)".

There were at least two or three different times when the Municipal Finance Commission demanded that the borough hold a tax sale. I will fill those dates in later.

"Mr. Vanderbilt: May we have a place left in the record to fill them in, your Honor?

The Court: All right."

June 8, 1934.
April 12, 1935.
November 1, 1935.
March 13, 1936.

Specifically what do you mean when you say that the Commission has been forced to use some pretty harsh language in dealing with this borough? As to item 7, of

the minutes of the Commission in and for Runnemede, a
the meeting of March 13, 1936, that was made at my re
quest.* I was present at that meeting, was I not? We hav
had other occasions in other municipalities where thing
have come out where they have used pretty harsh languag

This is the only municipality we have in which there hav
been no tax sales held for five years. In the fall of 193
shortly after we made one of these requests, the tax co
lector did get busy and send out notices to all creditor
He temporarily set a date for advertising. He had proof
run of the ad. I mean he sent notices to all taxpayer
but he never actually held a tax sale. It did have the resu
of increasing the tax collections somewhat and most a
[fol. 179] that money was used to pay delinquent state an
county taxes, but then the beginning of 1935 that munic
pality's politics changed and since that time we have not ha
the cooperation we had under the former regime. It is co
rect that the former regime was simply going through th
preamble of a tax sale and not actually holding one, and th
present regime is not even going through the preambles.

I can give you a schedule, I think, of tax collections fo
the years 1932 to 1933, with separation of current and d
linquent and total taxes. That paper is a refunding pla
for the borough of Runnemede and the School distric
bearing date of March 1, 1936, but actually submitted to th
relator for the first time this morning. It was prepared b
me and my assistant, Mr. Hart. It has not been approve
by the borough nor the creditors.

"Mr. Vanderbilt: With the court's permission, we wi
just mark this schedule in evidence. * * *

The Court: * * * That may be marked R-2.

(Schedule received and marked Exhibit R-2.)"

It is my opinion that there is no chance, with the recor
we have staring us in the face from 1931 to date, of th
bondholders obtaining any payment this year other tha
by a refunding plan. The fundamental reason for the d
fault is that the township authorities have not performe
their statutory duties with respect to collecting taxes an
enforcing the collection of taxes, by holding sales and pe
fecting liens and foreclosing and the like. I do not believ
that if the borough officials did their duty in accordan

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* This item will be found set out at folios — to —.

with what appears in the minutes of the Municipal Finance Commission that this municipality could pull itself out of its difficulties, because the collection history for the past few years shows that we have collected only 70 to 75% of their total levy.

[fol. 180] In the case of Runnemede most of their trouble is caused by overdevelopment. A large part of your bonds are on improvements for streets, sidewalks, curbs and gutters and they are grown up with weeds and you can hardly find them today. It is apparent that real estate dealers came along there during the boom period and laid out a lot of developments and then induced the borough to put improvements on them in the form of streets, curbs and sidewalks. When there were no buildings. And subsequently they have not been able to sell any property. However, it increased their assessed valuations, but they have not subsequently been able to collect taxes on those.

There are approximately 726 buildings. All told, there are 5,692 lots and 635 acres. That 635 are plots assessed on an acreage basis. That is a large number of lots for an area of only five square miles compared with surrounding communities.

"The Court: I suppo*rt* that is the difficulty. It would not do any good to hold a sale of lots. At least, I would not think so."

The trouble is, we have to spend so much money to foreclose. A lot of those are held by individual owners, and the cost of foreclosure added to present delinquency, you are throwing money away. For instance, a lot worth $75 or $100 probably has $50 or $100 against it, and the legal fees are so great for foreclosure costs that you cannot send the money after that. We were able to get one property owner here to turn over some 900 properties for a cost of about $450. It has to be done more through a spirit of cooperation of the tax-payers.

[fol. 181] I can give you the 1935 abstract of ratables:

Land	$500,338	
Improvements	1,201,972	
Second class railroad	2,008	
Personal property	181,165	
	—87,725	Less deductions alowed by law.
	1,797,000	Total ratable.

The percentage of tax collections was:

1927	57%
1933	32%
1934	42%
1935	42%

Those percentages, of course, are the percentage of collection of the current year, levied during the current year.

We made considerable progress in the latter part of 1934, through a friendly governing body and their solicitor there, we were able to inspire confidence among the taxpayers. Collections increased considerably and last year, of course, as I say they dropped off tremendously because of non-cooperation of the municipality with the Finance Commission. I might say that the school district has been very cooperative with the Finance Commission. They have done everything they possibly could in preparing their budget which was the first year we helped to prepare the school budget in Runnemede. They tried to do everything they could to get the budget down to a minimum.

Of course the school district has nothing at all to do with the collection of taxes. It has no taxing power of its own. The municipality has no reserve funds set up, because it never had any compromise settlement on a cash basis.

I have both the end-of-the-year and the present-time amount of cash on hand, both current funds and assessment funds and sinking fund. As of March 31st:

[fol. 182] Current account	$1,251.71
Delinquent tax acct.	563.37
Tax title lien acct.	1,324.23
E. I. Bond account	68.50
Trust account	1,748.33
Dog trust account	173.47
Board of Education bal.	128.91
Total	$5,228.61

I cannot tell you just for the moment what the "E. I. bond account" is. It is only a small fund that they are keeping segregated. The "trust account" is where money collected from assessments is held for a special benefit.

There was quite a little money diverted from the trust section to pay current operating expense in prior years. It can be dug out and gotten for you. It is one of the cus-

tomary practices of most municipalities. Of course, there is no provision for it under the statute. It is irregular and unauthorized. I can get that for you and let you have it later to go in the record. I can give it to you from the beginning of the borough without very much trouble. It was when they were incorporated. We have an analysis of it. Of course there has been none of that since the Finance Commission went in there. We stopped that practice as soon as we came in.

Neither the borough nor the school district owes money for operating expenses of prior years other than the current 1936 indebtedness. Current bills in both the school district and municipality are practically up to date, just normal unpaid bills which have not been rendered or something.

At the end of 1935 the municipality owed the school district $96,651.05 which was equivalent almost to two years levy of the school district. That indebtedness of the municipality to the school district has continued from year to year at least several years. Back at the beginning of 1927 the amount owed by the municipality to the school district was $12,574.45 and an analysis of that shows that each year [fol. 183] they pay over less than what the requirement was and they have been gradually increasing the amount due to the school district. They do give the school district enough to pay teachers' salaries and transportation expenses. In other words, they have paid everything practically except the bondholders. That *it* what it comes down to. There is no question that they have probably economized somewhat, too, as they have gone alone. To my knowledge the school district has never taken action to compel the borough to make payment to it.

I cannot speak prior to the Municipal Finance Commission, but which we came in there were quite a few bills of the school district that were delinquent and we had to make a temporary borrowing of over $5,000 to keep the schools open in the fall of 1934, and I know they have had a lot of trouble getting along the same way the municipality did because of the non-collection of taxes. It goes back to that. They were not collecting the taxes, and therefore, it was very hard for them to pay their bills.

"The Court: The amount that the borough has not paid the school district about equals the Board of Education debt service budget for 1931 to 1936."

There have been some bonds purchased by the municipality with its funds. $48,670 has been paid to retire $74,000 of bonds. Those bonds were all past due. I prepared a duplicate schedule here showing the detail of the make up of that, and I would like to say that there are only two or three bondholders in this municipality, and they were all purchased through brokers, as stated here, and the holder [fol. 184] of the bonds for whom the money was used was the only holder of the bonds purchased. I mean with the trust moneys, and he sold his past due bonds and so the brokers tell me as long as we got from a five to ten point spread for the past due bond he was willing to take bonds yet to become due of the same municipality, and I do happen to know that he purchased several other bonds of a municipality in the hands of the Finance Commission. In other words, to make that plain, he would let go of a past due bond at 63¢ as long as he could buy a bond coming due in the future for 53 to 58.

He was a very large holder of municipal bonds. He appears to be the largest holder of municipal bonds in the state of New Jersey, and holds bonds in practically every municipality in the hands of the Finance Commission and has been cooperating with us. At this instance he and the state are the only holders of bonds of the borough of Runnemede, as far as the borough is concerned. The bonds of the Board of Education to my knowledge are held by three parties. Woodmen of the World, the State, and a local resident of Runnemede. It is correct that from this schedule those purchases were in 1934 and 1935. There were none before that. All of those purchases were made after the Municipal Finance Commission came in. They were approved by the Municipal Finance Commission.

"Mr. Vanderbilt: May I have the statement as an exhibit?

(Statement received and marked Exhibit R-3)."

The Commission felt that this was not at all complicated because we had only two bondholders and all this was done with the knowledge and consent of the bondholders. The money could be used for no other purpose than to retire assessment bonds, and specifically that is what it was used [fol. 185] for. We could not take the money collected through assessments and pay that money over to the school district. It has to be held in trust, and the only purpose it

can be used for is to retire trust bonds. In other words, moneys which are obtained from assessment funds must always be used for the retirement of assessment bonds. Not only in Runnemede but everywhere. I would like to say that since the Finance Commission has been functioning in these municipalities we have held rigidly to that rule. We are governed by statutory laws, of course, that do not allow us to do anything different. We have accepted $62,507.01 worth of bonds for taxes. I do not have the break-down of that, of course. 1934 was $30,000., and 1935 was $32,507.01.

These bonds were accepted in payment of taxes with the approval of the Municipal Finance Commission, on the basis of past due bonds for taxes due prior to the year 1933. 1933 and subsequent taxes, plus interest accumulations, were paid in cash, and as the bonds were received no allowance was made to the taxpayer for any coupons attached to the bonds at the time of the surrender. In other words, we made the taxpayer pay interest in cash, but we allowed no interest for the bonds which were turned in. Each of these transactions was approved by the Municipal Finance Commission.

"The Court: That required, as I understand it, the payment of all taxes up to the date that the bonds were accepted."

Positively. If a taxpayer made a settlement we were insistent that he clear his property of every existing lien to the borough up to that date. And an examination of the records of those taxpayers who settled shows that they have been keeping their taxes paid up to date since then. In [fol. 186] other words, it got them out of a hole. They saw light in being able to settle their taxes. Most of these bonds, to my knowledge, were purchased from 63 to 70, and they got practically a 30% discount or a little better on their delinquent taxes, and that encouraged them to clear their property of a over-burdened lien.

School bonds were not accepted as well as borough bonds. As to whether that constitutes a preference and discrimination in favor of resident bondholders against non-resident bondholders, there were no non-resident bondholders here. As I said before in the municipality there were only two bondholders. As to whether it is a preference of the borough bondholders over the school district bondholders,

we did not have any control over the school district at all until last year, and then through an action of yours on another municipality we voluntarily stopped this bond settlement.

Yes, we controlled the borough in 1934 and 1935, but we stopped bond settlements last Fall. I might say that collections have fallen off somewhat since then. However, in this little survey I made a short time ago the people who did use bond settlements are keeping paid up to date.

Specifically, for the benefit of creditors, since it began to function in Runnemede, the Municipal Finance Commission has retired $136,507.01 of bonds, in the borough. They were held before retirement by individuals and the state. That is one individual and the state.

The amount was $62,507.01 for taxes. The resultant saving or the profit from the bonds purchased plus interest attached to coupons which were surrendered helped to build [fol. 187] up reserves against the non-collection of the taxes which are now on our books. When we went in there, there were no reserves against delinquent taxes—I will give you a little history here—when we sent in there, there were approximately $413,974.63 in total receivables in the form of taxes and assessments. There were absolutely no reserves against those. At the end of December 1935, we still had total reserves of $71,022.08, or the receivables are backed up by a 17% reserve. That means this, that if we have to take a loss of 17% on the outstanding receivables the future tax levies will not have to be effected by that amount. That is not in cash,—it is a book-keeping entry.

I might explain it this way. When you make profits on a bond purchase that would be surplus in an ordinary outside business. It would go into surplus as a profit. Now, instead of throwing that into surplus we put in a reserve against the non collection of those taxes some day. If we put it into surplus then the municipality would come along and appropriate that surplus to reduce a subsequent budget.

We were soon brought to realize the fact that we had to take a loss on eventual collection of taxes on some of this property. In fact, a large part of it. So we hurried to build reserves against that day. In other words, we are stopped from settling with bonds, so we have got to offer the taxpayer sooner or later some kind of a cash proposition to get him to come in and pay for those taxes and get-

him back in a taxpaying status. We cannot afford to pay these lawyers so much for foreclosure. The legislature will not give us a procedure to foreclose liens at a small cost. The old Martin Act had a limitation of time and cannot be availed of now. When you travel around you will find a lot of municipalities have a lot of those Martin Act tax liens still on their books.

[fol. 188] We have kept the municipal officers from increasing their budgets for operating expenses, of course, with the exception of the expenses necessary for the Finance Commission, and we have added to the budget for foreclosures with the idea that the foreclosing of properties and the subsequent sale of those properties would bring in money. In 1934 there were a number of foreclosures. One foreclosure of the Runnemede theatre was made where there were liens against it totalling approximately $15,000. That theatre has now been put into operation and we hope under the contract within the next couple of years to get a vary sizeable amount out of that theatre. The borough owns it now. It is right on the pike there. If you are familiar with this territory you will know that has been idle for a number of years and that is about the only real asset that the borough has. The others are simply buildings that cost from $1,500 up to as high as maybe $3,000 to build.

I cannot tell you how many foreclosures there have been in all. There were at least in the neighborhood of twenty, in 1934. None in 1935, though we provided a large budget appropriation for that. The township authorities were scrapping among themselves there. I cannot say specifically why they did not foreclose. There were budget appropriations provided and we tried to encourage them to go ahead with the work. They did not do it. I do not know that we went on record specifically to foreclose properties, although that was part of my duties travelling around for the Commission. I urged them to do it. They did not do it.

[fol. 189] There was $1,500. provided in this budget of Runnemede for the Municipal Finance Commission. There was $1,200. last year. There may be a little more than that as a result of this litigation which is pending here at this time.

The borough has adopted a budget for 1936, but it differs in a few instances in the operating expenses from that which has been adopted by the Municipal Finance Commission. The debt service in both budgets is the same, however. The

main point of difference is that the municipality has wanted to appropriate some surplus which was found upon audit not to exist, they wanted to appropriate that surplus to reduce the amount to be raised by taxation. A subsequent action by the Municipal Finance Commission has been that they have ordered the State Auditor to certify to the county board our budget, which has been done. It is therefore the budget of the Municipal Finance Commission which will prevail this year rather than the one adopted by the municipality, both as to county tax rate and the municipal tax rate.

Debt service of $15,202.50 has been budgeted for this year. That includes interest at the contract rate on the outstanding bonds, plus the maturities of bonds falling due this year. For the school district, $8,300. has been budgeted for principal on bonds, and $7,055. for interest on bonds. That is the total I gave before of $15,455. That covers all current interest and all maturities of the school district. Provision has been regularly made in the school district for all of their past due principal, from year to year. Prior to this year's budget there was $28,600. provided in previous budgets which was not paid.

On cross-examination by Mr. Dimock the witness testified further in substance as follows:

Runnemede is located about six or seven miles east of Camden on the Black Horse Pike. It is one of the five municipalities that split off from Centre Township in 1926. The area is about five square miles; the population in 1930 [fol. 190] was 2,436. There are sidewalks and curbs. The street improvements are all cinder type. They are not really permanent streets as we commonly know them. These municipal improvements connect groups of small houses. There are several what you would call small settlements within the borough. It is by no means solidly built up. The houses are of the semi-bungalow type, small houses that do not cost a greate deal to build. There is a very small business district, about a block long, I should say. There are about half a dozen stores. It is built on both sides of the Black Horse Pike.

There is some assessed valuation placed on all of that property. In its present condition not all of it is salable property. Some of it is worth but very little. There are

5478 unimproved properties which have assessed valuations of $1,202,345: The tax delinquency against those properties is $360,682.[illegible]. The unimproved property is property on which there are no buildings. It is just vacant land. It may or may not have curbs and sidewalks and gutters and so forth.

$84,147.78 is due in tax assessments and delinquencies on improved property on which there are no liens held by the municipality. There are 1182 parcels. The average delinquency for each parcel is $71.19. There are 259 improved properties where the municipality does hold liens, and the delinquency is $53,799.87. That makes a total delinquency against improved property of $137,947.65.

The unimproved property without any liens is 1507 properties with delinquencies of $30,445.63. The unimproved property in liens numbers 2530 parcels. The delinquency against them is $192,289.65, or 109% of the assessed valuations, which assessed valuations are $175,765. Now that makes a total delinquency against those unimproved properties of $222,735.28.

The percentage of delinquency to assessed valuations upon the other three classifications is: first, of improved property not in liens, 10%. Improved property in liens, [fol. 191] 42%. Unimproved property not in liens, 42%. So you see the great bulk of our delinquecy there is tied up against unimproved property not in liens. We have delinquencies there of $300.000. and some odd dollars, and the delinquencies against the unimproved property in liens is $192,000 and some odd dollars. Now, to collect money on that in future we will probably have to compromise with the taxpayers to get them to pay their taxes. They do not have the heart to send money after the property in the present status. When we began to compromise we began to take away some of the equity of the bondholders, whereas when we used bond settlements we washed an asset against a liability, but here we cannot do it.

I spoke of a taxpayer deeding some of that property which was in liens to the municipality for $450., 900 lots. That was 50¢ a lot. The improvements that I have spoken of, the sidewalks, curbs and gutters, were paid for out of the bond issues. Some of those bonds are still outstanding now.

By Mr. Dimock:

"Q. Are all of the bonds and notes of the municipality and the Board of Education, bonds and notes which were issued by the present municipality to the Board of Education?

Mr. Vanderbilt: I object as immaterial."

They did take over $33,000. of these from Centre Township. There were some other bonds taken over from Centre Township which were paid. They did not amount to a very great deal. Of the $33,000. there are still outstanding $24,000. of those bonds. That is Centre Township's Board of Education. The borough did take over some of the debt of Centre Township as distinguished from the school district. I do not have that information before me just how much that was. There is none outstanding unless it has been converted into some other form of paper.

As to the per capita debt figured upon the 1930 census, I am going to give you the per capita debt on the debt to be refunded if that is satisfactory. That differs from what [fol. 192] is known as the gross debt. The figure that I will give you is the accumulation of interest right up to the end of the year, whereas the gross debt statement prepared under the Act has no interfund balances that might be due, and it has interest only to the last coupon date. The figure which I will give you is what the municipality owes to outside creditors as of December 31, 1935, with all interest accrued to that date, and without any bookkeeping credits. It is gross, yes. The municipal per capita debt is $164.24. That is approximately 23% of the assessed valuation as of December 31, 1935. These are all gross figures.

With the debt of the school district added the per capita debt is $251.97, or 34% of the assessed valuation, as of December 31, 1935, because there again we have the accumulated interest added right down to the last day of the year.

On December 31, 1935, the defaulted principal of the municipality was $78,000. The defaulted principal of the school district was $28,600. That is a total of $106,000. The defaulted interest of the municipality was $40,997.91. The defaulted interest of the school district was $37,054.19. The total of these was $78,052.10.

The annual requirement for interest on bonds at the coupon rate for the borough is $11,272.50., and for the school district $7,055.

Formerly we could not force a tax sale, but on June 25, 1935, the legislature passed an amendment to our Act, section 3 of Chapter 292, Laws of 1935, where I understand that if a tax collector does not do his duty we can bring him up on charges and give him notice and then replace him by an officer that is appointed with our approval. Since the passage of that act we have had the promise of the holding of a tax sale on April 22d of this year. I understand that notices have been sent to all taxpayers. There has been an increase in tax collections since those notices have gone out, but I am not prepared to state just what that amount has been. The Commission is prepared to enforce that order.

[fol. 193] Ways have been adopted for making it easier for taxpayers to pay, such as the receipt of taxes in installments. The tax collector has quite a large installment record. The people who pay taxes in this municipality are in the most employed in Camden shipbuilding and allied industries, and they do not receive any very large salaries, and he has a very large number of accounts that pay from $1 a week up to wipe off their tax delinquencies. He tries to make arrangements with each party who wants to pay on installments to pay about 1½ years taxes in one. That is the minimum he will allow them to pay on an installment basis, and they are gradually getting caught up. Under the law, the collector doesn't have to accept any installment payments, but he takes care of those which means a tremendous amount of extra work for him. I think I gave you the cash figure that showed that we had a cash balance of $563.37 in that account, and just to show you, between January 1st and March 31, 1936, he collected $2,686.07 from that source. And I would say he had to make several hundred entries to collect that much money, because I have looked over some of those cards and they are pretty small amounts. That is the present tax collector. We are receiving full cooperation from him.

I have made a record of the comparison of appropriations made by the municipality for various years. It was incorporated in 1926, but of course they did not have any budget that year, and this statement covers taxes in all the budgets from the first year of their operations, the first full year (1927). The total levy reached a peak of $103,000 in 1933. However, it approached that figure in 1931, when

a total levy of $100,628.26 was made. The second year its existence the total levy was $83,000. It jumped $30,0 in the second year of its existence. So we cannot say th the difficulties of this municipality are due to extravagan in the boom years. They have been very fair and consiste in their levy and when you look at their ratables over period of years they were not much different in the boo period and they have not dropped greatly since. Rig [fol. 194] after they were first incorporated there was period when tax collections were better than they have bee but it dropped off very quickly. It began to drop off th following year (1927) and between 1927 and 1933 it droppe from 57 to 32%, but it has been a constant drop each yea down to that low of 32%.

"By Mr. Dimock:

Q. Well, now, assuming there was an aggressive campaign of tax sales, tax foreclosures, what percentage of current levy is collectible in Runnemede?

Mr. Vanderbilt: I object. That is matter of speculation——

Mr. Dimock: I am asking for the witness' opinion."

Well, the record seems to indicate that the current collections can be increased some little, but that we will not -ventually collect much more than 70% of each levy until we adjust some of these delinquencies on that large number of vacant lots. I am basing that upon the ability of the property itself to respond. That is the real situation. The records indicate that we are collecting in the past two or three years in the end about 70% of the levy, and I have made a forecast of what we should expect in a refinancing plan. When I spoke of 57% and 32% I meant what was collected during the then current year.

That is not the total collections. I might qualify it by adding the percentage collected on the one year old and two years old taxes. In 1933, for instance, 32% in the year levied, 23% in the following year, and 7% last year. That makes total collections 62% to date. That corresponding percentage of the total levy ultimately collected went steadily downward from approximately 90% in 1927 to about 57% in 1932. Since 1932 the trend has been upward. The average has been somewhere about 65 to 70 probably.

I base a refinancing plan on about 70%, which I thought was a fair figure, not knowing what we would be able to do on the delinquent properties.

I said that in the proposed budget for 1936 there was an [fol. 195] item directly applicable to debt service of the borough of $15,212.50, and there is an item of $15,455 applicable to debt service for the school bonds.

"Mr. Dimock: I should like to offer in evidence the proposed budget as approved by the Municipal Finance Commission of the borough of Runnemede for 1936. * * *

The Court: It may be marked in evidence.

(Budget received and marked Exhibit Res. -1.)

Mr. Dimock: And I would like to offer in evidence the budget of the school district for the year 1936.

(Budget of school district received and marked Exhibit Res. -2.)"

Assuming that budget was adopted, I gave you a tax rate of about $5.66 for 1936.

"By Mr. Dimock:

Q. Now, assuming that the relator's judgment of $21,776.21 were added to the budget for 1936, what would the tax rate be?

Mr. Vanderbilt: I object to that, if the court please. That is immaterial. * * *

The Court: * * * I think I will take it—if that was actually added to it."

The tax rate would be $6.86 upon each $100 of assessed valuation.

"By Mr. Dimock:

Q. For all creditors with accrued claims which rank ratably with the relators, what would be the tax rate?

Mr. Vanderbilt: I object to that.

The Court: There is no other proceeding pending in any court along that line, is there?

Mr. Dimock: No, your Honor.

The Court: Then I think I must sustain the objection to that.

Mr. Dimock: I would like to offer in evidence a certified copy of the petition of the borough of Runnemede to the Honorable Frank Lloyd, for the intervention of the Munici- [fol. 196] pal Finance Commission to the order of the Supreme Court directing the functioning of the Municipal Finance Commission in the borough entered upon that petition as copied in the minutes of the Municipal Finance Commission on May 18, 1934.

The Court: It may be marked.

(Certified copy of petition received in evidence and marked Exhibit Res. -3.)"

I have prepared a table showing for the years 1925 to 1935, inclusive, the total ratables, the tax rate, the tax levy, the levies for debt service, tax collections, income from all sources, requirements of the municipality accrued, the gross debt excluding the school debt, and the school debt. That is the table annexed to the answer in this proceeding, called Exhibit A.

"Mr. Dimock: I will offer that in evidence.

The Court: Are you offering in evidence the original?

Mr. Dimock: As a matter of fact, I am not because there are three clerical errors in it which have been corrected on this copy, so I will supply the court with an accurate one.

The Court: Then it is a copy of Exhibit A which you are offering and having marked.

Mr. Dimock: Yes.

(Exhibit A received and marked Exhibit Res. -4.)"

It is correct that those figures are given as of December 31st in the years noted on it, with the exception of the school debt, and that is given as of June 30th of the year mentioned, with one further exception,—the school district debt opposite the year 1936 is as of January 1st. The other remaining figures of school debt are as of June 30th.

I have prepared statements of the outstanding debt to bondholders of the borough and of the Board of Education existing as of December 31, 1935.

"Mr. Dimock: I offer those in evidence, first the borough and then the Board of Education.

[fol. 197] (Received and marked in evidence Exhibits Res. -5 and Res. -6.)"

Where bonds were retired by purchase at less than par, the state did not sell at less than par to the municipality. The only bonds that were purchases were from this outside holder, this individual.

On redirect examination by Mr. Vanderbilt the witness testified further as follows, in substance:

After the law was enacted last July giving the Commission power to remove a tax collector who did not do his duty, the tax collector at Runnemede was not removed, but a tax collector was elected last fall there. There was one there in July, he was not removed. After the law was passed he was given no official warning in writing by the Commission that if he did not proceed promptly he would be removed. We will find it in the minutes somewhere that since this tax collector has been elected he has tried to cooperate with us. I have told him personally that if he did not have a tax sale he would be fired pursuant to the act, but it has not been on record. There has been no official action by the Municipal Finance Commission to that effect. They have not fired any tax collector in this or any other municipality. There has been an official advertisement of a tax sale in the papers. We can produce evidence of that.

"Mr. Vanderbilt: That is all. We rest."

[fol. 198] EXHIBIT RES. 1.

Borough of Runnemede

1936 Budget

Surplus Revenue Appropriated	None.
Miscellaneous Revenues:	
Licenses and Permits	$1,400.00
Interest on Delinquent Taxes	4,000.00
Interest on Assessments	1,500.00
Franchise Tax	5,000.00
Gross Receipts Tax	700.00
Tax Searches	100.00
Refund on Water Mains	1,239.36
Fines and Costs	200.00
5% Bus Gross Receipts Tax	150.00
Dog Licenses	362.55
	14,651.91
Amount to be Raised by Taxation	32,853.26
	$47,505.17

Appropriation:

Administrative and Executive	$1,350.00
Assessment and Collection of Taxes	2,775.00
Department of Finance	90.00
Police	3,520.00
Fire	1,350.00
Fire Hydrant Service	2,410.00
Health and Charities	1,355.00
Public Roads	3,075.00
Street Lighting	4,000.00
Garbage Collection	100.00
Elections	200.00
Insurance	1,150.00
Telephones	280.00
Contingent	100.00
Dog License Expenses	88.00
N. J. League of Municipalities	35.00
Expense of Tax Sale and Foreclosure	900.00
Municipal Finance Commission	1,500.00
Audit	750.00

W. P. A. Projects	750.00
Debt Service	15,212.50
Deferred Charges	6,398.67
Building Inspector	100.00
Water Rent—Theatre	16.00
	$47,505.17

[fol. 199] EXHIBIT RES. 2

Borough of Runnemede

School District Budget for School Year 1936-37

Current Expenses	$52,443.00
Repairs	920.00
Bonds and Interest at Contract Rates	15,455.00
Total	$68,818.00
Less Revenue Anticipated	24,040.66
Net Amount to be Raised	$44,777.34

[fol. 200]

EXHIBIT R-3

Borough of Runnemede

Bonds Purchased by Borough During

1934

Purchased From	Bond Title		Issue Amount	Date Purchased	Par Value	Amount Paid	Bond Numbers
Trust Account:							
M. M. Freeman & Co.	Temp.	Impt.	$159,000	10/25/34	$20,000	$13,025	90 to 109 Inc.
Leon Guest & Co.	do	do	do	do	35,000	23,675	6 to 40 do
M. M. Freeman & Co.	do	do	47,000	11/ 7/34	3,000	1,890	3 to 5 do
Leon Guest & Co.	do	do	159,000	11/27/34	5,000	3,150	41 to 45 do
Leon Guest & Co.	do	do	do	12/13/34	3,000	1,890	48 to 50 do
Total					$66,000	$43,630	

1935

Trust Account:							
M. M. Freeman & Co.	Temp.	Impt.	$159,000	1/22/35	$2,000	$1,260	54 & 56
do	do	do	do	2/11/35	2,000	1,260	59 & 60
do	do	do	do	3/25/35	2,000	1,260	62 & 63
do	do	do	do	4/ 4/35	1,000	630	67
	do	do	do	6/ 6/35	1,000	630	70
Total					$8,000	$5,040	

[fol. 201]

EXHIBIT RES.-4

Exhibit A

	* Total Ratables	Tax Rate	Tax Levies	Levies for Debt Service	Current Tax Collections
1926	$1,070,460.00	$....	$.....	$.....	$.....
1927	1,240,747.00	3.65	53,333.03	8,720.50	30,443.31
1928	1,420,803.00	4.60	83,543.14	18,459.13	44,033.15
1929	1,717,017.33	4.37	87,741.44	27,080.44	48,173.03
1930	1,915,373.33	4.27	88,108.94	30,813.40	40,175.47
1931	1,999,632.00	4.78	100,688.26	25,596.50	37,472.87
1932	2,011,052.00	4.68	97,357.05	30,936.89	33,526.21
1933	1,926,195.00	5.60	103,027.01	36,747.34	32,821.75
1934	1,833,768.00	5.42	99,744.35	30,013.23	41,479.01
1935	1,737,440.00	5.76	103,391.77	18,853.73	43,871.29

	Income from All Sources	Requirements Accrued	Gross Debt (excluding school)	School Debt
1926	.....	.....	$320,470.30	.....
1927	$79,221.39	$60,672.03	419,562.19	$38,833.03
1928	125,698.11	101,964.55	488,808.24	122,743.84
1929	130,576.79	109,884.35	480,254.03	110,350.00
1930	100,214.27	218,317.47	454,962.73	181,200.00
1931	116,577.60	134,311.89	496,742.39	184,645.00
1932	79,811.20	276,028.06	450,232.41	176,097.50
1933	89,262.32	133,636.61	488,508.00	174,097.50
1934	128,538.78	126,395.24	364,020.57	171,800.00
1935	105,601.39	127,371.99	373,562.59	171,800.00

* Average of three preceding years.

(Here follow two pasters, side folios 202 and 203)

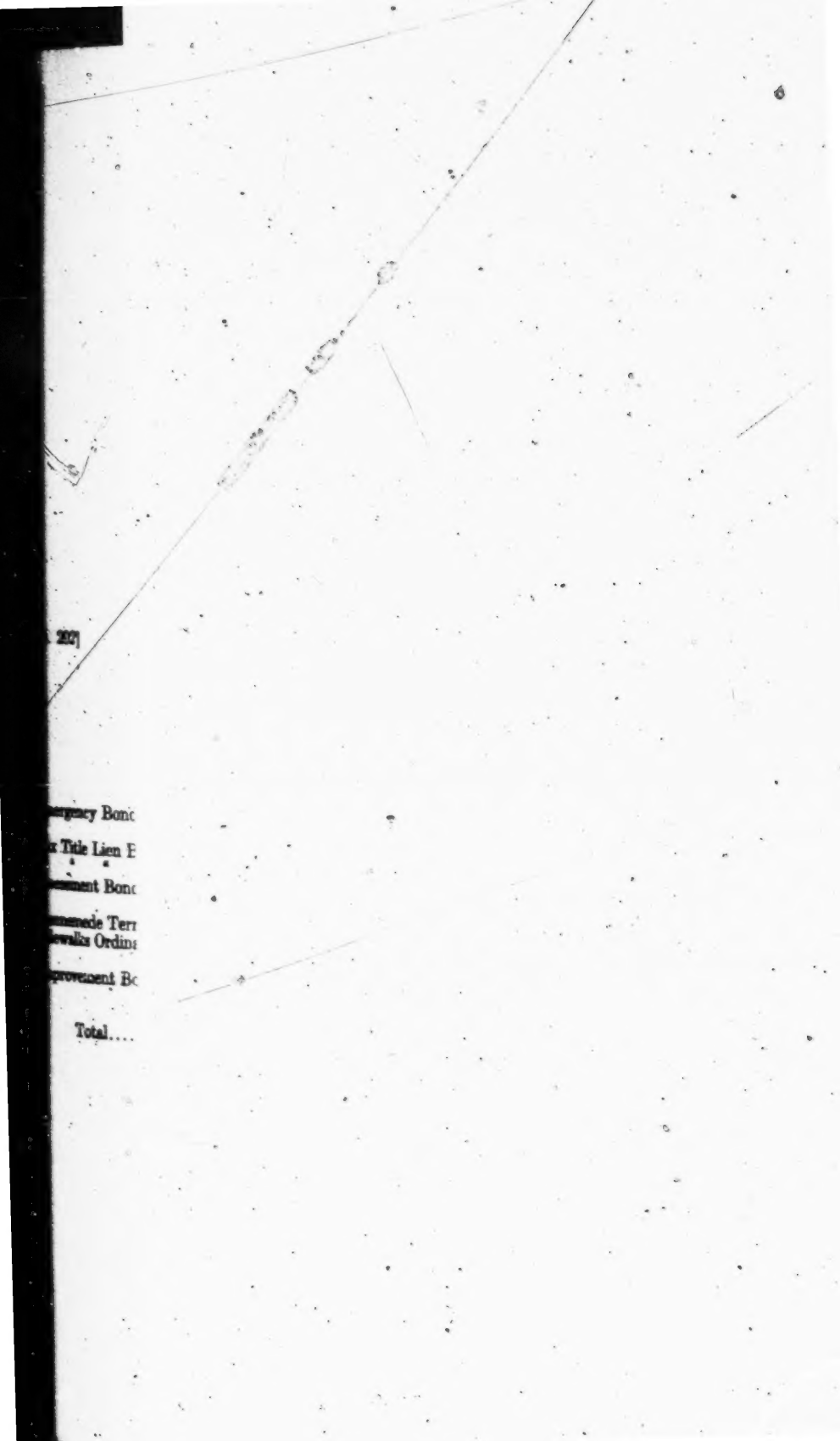


EXHIBIT RES.-5

Borough of Runnemede

Character of Bonded Debt and Amount of Principal and Interest in Default December 31, 1935

	Amount of Issue	Date of Issue	Date of Maturities	Amount of Each Maturity	Int. Rate	Principal Outstanding December 31, 1935			Last Interest Payment	Interest in Default (To Last Coupon Date)	Interest to End of Year 1935	Total Interest in Default Dec. 31-1935
						In Default	Not Yet Due	Total				
ary Bonds	$29,000.00	6/1/32	6/1/33-39	$3,000.00	5%	$6,000.00	$12,000.00	$26,000.00	6/1/32	$4,550.00	$108.33	$4,658.33
			6/1/40-41	4,000.00			8,000.00					
le Lien Bonds	27,000.00	6/1/32	6/1/33-41	3,000.00	5	2,000.00	18,000.00	20,000.00	6/1/32	3,500.00	83.33	3,583.33
ent Bonds	36,000.00	6/1/32	6/1/33-41	4,000.00	5	4,000.00	24,000.00	28,000.00	6/1/32	4,900.00	116.67	5,016.67
	49,000.00	7/1/30	7/1/33-35	5,000.00	5¼	15,000.00		39,000.00	7/1/32	6,142.50	853.13	6,995.63
			7/1/36-39	6,000.00			24,000.00					
ede Terrace Sidewalks	47,000.00	11/1/26	11/1/32		5½	26,000.00		26,000.00	5/1/32	5,005.00	238.32	5,243.32
ks Ordinance #5	159,000.00	9/1/26	9/1/32	109,000.00	5¼	19,000.00		19,000.00)	3/1/32	12,678.75	1,207.50	13,886.25
			9/1/36	50,000.00			50,000.00	50,000.00)				
ement Bonds—1930	13,000.00	7/1/30	7/1/33-35	2,000.00	5¼	6,000.00	3,000.00	9,000.00	7/1/32	1,417.50	196.88	1,614.38
			7/1/36-38	1,000.00								
Total						$78,000.00	$139,000.00	$217,000.00		$38,193.75	$2,804.16	$40,997.91

The Character of the Bonded Debt of the School District and the Amount of Principal and Interest in Default as at December 31, 1935 is shown in the following:

EXHIBIT RES. 6

School District of Runnemede

Character of Bonded Debt and Amount of Principal and Interest in Default December 31, 1935

	Amount of Original Issue	Date of Issue	Date of Maturities	Amount of Each Maturity	Int. Rate	Principal Outstanding December 31, 1935			Date of Last Interest Payment	Interest in Default (To Last Coupon Date)	Interest to End of Year	Total Interest in Default Dec. 31, 1935
						In Default	Not Yet Due	Total				
Runnemede Alterations	$4,000.00	9/ 8/25	6/ 1/32-33	$500.00 $1,000 1932-53	5%	$1,000.00		$1,000.00	12/ 1/31	$200.00	$4.17	$204.17
Haddon 1922 Centre Twp	33,000.00	4/ 1/22	6/ 1/32-52	$500 1947-52	5½%	4,000.00	$20,000.00	24,000.00	6/ 1/31	5,940.00	110.00	6,050.00
Runnemede Addition	8,000.00	7/15/18	1/15/32-38	$400.00	5%	1,600.00	1,200.00	2,800.00	7/15/31	560.00	64.19	624.19
School Addition	84,000.00	6/1/27	6/ 1/32-46	1932-36 $4,000 1937-45 $5,000 1946 $3,000	5%	16,000.00	52,000.00	68,000.00	12/ 1/31	13,600.00	283.33	13,883.33
School Addition	78,000.00	6/ 1/30	6/ 1/33-59	1933-37 $2,000 1938-59 $3,000	5¼%	6,000.00	70,000.000	76,000.00	12/ 1/31	15,960.00	332.50	16,292.50
Total						$28,600.00	$143,200.00	$171,800.00		$36,260.00	$794.19	$37,054.19

Note—See Schedule "B" for Detail of Bonds and Notes Outstanding

[fol. 204] IN UNITED STATES DISTRICT COURT, DISTRICT OF NEW JERSEY

In Mandamus

UNITED STATES OF AMERICA ex rel. NORFOLK AND WESTERN RAILWAY CO., Plaintiff,

vs.

TOWNSHIP OF CHESTER et al.

Narrative Reduction of Portion of Transcript of Record

Statement of Evidence

Proceedings on return of Order to Show Cause for Writ of Mandamus before Hon. John Boyd Avis at Camden, New Jersey, March 12, 1936.

Appearances:

Arthur T. Vanderbilt, Esq., John B. Dawson, Esq., for the plaintiff-relator.

William A. Stevens, Esq., Hawkins, Delafield and Longfellow, Esqs., by Edward Dimock, Esq., for the Municipal Finance Commission.

Powell and Parker, Esqs., by Albert Mackay, Esq., for the municipality.

"Mr. Dimock: If your Honor please, before the taking of testimony may I file with your Honor a petition to intervene on behalf of the Municipal Finance Commission of the state of New Jersey. This municipality is one of those in which the Municipal Finance Commission is functioning, and the purpose of the proceedings is to add to the municipal budget and to collect by way of assessment of taxation a judgment which the relator has obtained before you——

The Court: Is there any objection, Mr. Vanderbilt?

Mr. Vanderbilt: Yes, your Honor. We take the position that there are only two parties to this litigation, the relator, the judgment creditor, and the defendant township. * * *

The Court: All right. I think we ought to admit the petitioner, the Municipal Finance Commission, to appear in [fol. 205] this case as an intervening defendant representing, of course, the interest of the municipality in accordance

with the state statute which gives them the right, as I understand it, to take over the operation of municipal affairs. So an order will be made admitting them for that purpose, and you may have an exception, Mr. Vanderbilt.

Plaintiff prays an exception which is hereby allowed and sealed accordingly.

"(Sealed.)" * * *.

FRANK L. GARY, called and sworn as a witness in behalf of the plaintiff-relator, testified in part as follows, upon direct examination by Mr. Vanderbilt:

The Municipal Finance Commission in certain cases in municipalities into which they have gone, have paid out funds without a general new refunding agreement consented to by substantially all the creditors. This was in North Bergen and Lavalette. In Avalon we kept our interest paid up to date for quite awhile. * * *.

The Municipal Finance Commission is made up of the Attorney General, the Tax Commissioner and the State Auditor. Mr. Darby very seldom ever misses a meeting except through sickness. Mr. Martin attends very faithfully, and Mr. Backes, who is the Attorney-General's designee on the Commission, is invariably present. The Municipal Finance Commission functions in twelve municipalities. They meet regularly once a week for any municipalities that may have business. We have from seven to eight meetings, I would say, a week on an average. It takes one day a week. Practically a full day.

[fol. 206] All of the eight meetings, or whatever may be necessary to take care of these twelve municipalities, are held on this one day. We meet on one municipality and adjourn that and then meet on another for all business that may be before the Commission. * * *

Q. Now, has the Municipal Finance Commission in any of the municipalities in which it has operated ever started any suits for the benefit of creditors?

A. Not to my knowledge.

As to whether there has been any general refunding in any of the twelve municipalities under the control of the Municipal Finance Commission, in Manville complete refunding was done and in Lavalette we have had temporary refunding every year and kept them completely out of de-

fault. Of course, in North Bergen a temporary refunding was gone into which later fell through. It was hoped that the North Bergen refunding would be permanent. Thirty year bonds were issued looking forward to a permanent organization. The first default occurred a year later. They paid one coupon, and then defaulted.

I do not now remember what the size of the Manville refunding was. It was large for them. I will say approximately $150,000. In Lavalette it has been a matter of annual refunding of temporary indebtedness. The creditors have worked very closely with us there, and they have not desired a permanent refunding until the municipality has done its utmost to straighten out its taxes and so forth. There is full cooperation there. In addition to the one interest payment under the old refunding of North Bergen, and the payment of interest on temporary obligations at Lavalette, in North Bergen we paid over $3,000,000 to the creditors and have cash on hand of over $2,000,000 at the present time for the benefit of all creditors. We are posi- [fol. 207] tively very reluctant to let go of that cash, unless all creditors get together and agree.

When we went into North Bergen in July of 1931, there were considerable defaults. Those were all caught up to date with the exception of the temporary paper, and in the fall of that year a one year temporary issue of over $8,000,000 was gotten out. We kept the interest paid up on all that temporary paper and for two and a half years we kept out of default in North Bergen; that is generally speaking. There were no serious items. And since then, in North Bergen, as a result of these suits we have had, we have not been able to pay out any money. In the meantime we built up from a small reserve fund over $2,000,000 of cash for the benefit of all creditors. We worked out a mandamus of over $1,000,000 for North Bergen for state and county taxes. In Avalon City in the winter of 1934 we kept interest paid on all of their debt and kept the maturing serial bonds paid. That is all. That is four municipalities.

For the creditors of Chester Township since the Municipal Finance Commission took an interest in the affairs of the township it has reduced the outstanding indebtedness, paper debt, over $500,000 and thereby increased the equity for the bondholders to that extent, speeded the day when they are going to be able to pay them a fair rate of interest on their investment, and with the hope now that they can

probably pay their interest off some day. They had no hopes when they went in there, they had no cash on hand, the teachers were in arrears in salaries and the municipal employees were in arrears in their salaries.

In the main they reduced the debt $500,000 through the acceptance of bonds for taxes. That would account for [fol. 208] $290,000. There were also $131,500 of bonds retired at the purchase price of $54,117.50. There were $10,000 of bonds retired in the school district, in the same way. The saving did not come in the main through buying bonds at a discount and letting taxpayers use past due bonds for payment of taxes. That makes up a small portion of it.

"The Court: I did not understand that the witness said it was a saving.

Mr. Vanderbilt: A reduction of debt.

The Witness: He did not permit me to put in the record what we saved."

I do not quite follow you when you say that these reductions of debt I have just spoken of came from the creditors of the township. I suppose it was not that payments were made by the township, but that concessions were made by the bondholders. I have knowledge that one of the largest bondholders in Chester Township let go of his past due bonds and took future bonds of the same municipality. He lives in this neighborhood locally and knew the conditions and he encouraged the acceptance of bonds for taxes. Now, we have another municipality in which the creditors have signed up one hundred per cent, and there is only $1,000,000 of bonds involved in that, to permit the acceptance of bonds for taxes. They know that since the municipality in its present condition is almost hopeless as to when they will get any money, this speeds the day when they can get out.

I can see a clear distinction between the use of bonds in payment of taxes when all the creditors consent and those instances where they do not. We were suddenly brought to realize that in the fall of 1985, as you know. I did not [fol. 209] realize it when we began to get acquainted in North Bergen, we never did accept any bonds in North Bergen for taxes. Nor in Asbury Park, under the jurisdiction of the Municipal Finance Commission. It was done down there before we went there.

The Municipal Finance Commission has built up a reserve against the outstanding taxes in Chester Township.

When we went in there the reserves were about 4% of the receivables. At the present time the reserve is 51% of the outstanding taxes and receivables, built up in the main gain from savings on interest coupons attached to the bonds which were turned in on the tax settlement proposition, and the profit from the bonds that were purchased. It is in a position so that now we have a lot of vacant lots in Chester Township on which the accumulations are 218% of the assessed valuations. We know we have to take a tremendous loss there some day and we could, for instance, as an illustration, if you want to settle a given piece of property, wipe out half of the taxes against that property and it would not be affected in the subsequent levy of the municipality. That is a protection for the bondholders.

[fol. 210] EXHIBIT 17

LaVallette

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Funding tax notes in default $57,580.26

Trust:

Sewer assessment & Assess. Funding notes in default 272,724.44

Capital:

Serial bonds in default 5,000.00

Fort Lee

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Revenue notes in default $96,857.16

Trust:

Temporary bonds in default	2,539,700.00

Capital:

Temporary Impvt. Bonds in default	254,000.00

[fol. 211] Brigantine

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 8/31/36

Current:

County taxes of 1935 & prior years due	$536,568.92

Trust:

Temp. Bonds in default	76,936.61

Capital:

Gen'l Temp. Bonds in default	464,644.52

Manville

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Due to Hillsborough (taxes collected by Manville)	$1,048.81
Local School Taxes	52,232.80
Errors in Taxes rec'd in settlement	9,517.06
Taxes overpaid	590.96

Trust:

Reserve for amount due to capital	900.50

Capital:

Reserve for legal costs	50.00
Due to water operating	220.70
Reserve for advertising costs: Rd. Impt.	20.00
Reserve for cost of bond issue	271.42
Reserve for Municipal Finance Commission	700.00

Water Operation:

Reserve for tenants deposits	25.00

[fol. 212]

Runnemede

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Emergency Refinancing Bonds in default	$6,000.00
Tax Title Bonds in default	6,000.00
Reserve for unallocated receipts	64.72
Reserve for tax overpayments	212.52

Trust:

Cash deficit	$9,351.94
Serial Bonds in Default	15,000.00
Temp. Impvt. Bonds in default	31,082.53

Capital:

Serial Bonds in default	6,000.00
Temporary Impv't Bonds in Default	13,917.17

North Bergen

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 7/31/36

Current, Trust and Capital:

Bonds & notes in default	$6,801,044.67

Avalon

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 7/26/36

Current, Trust and Capital:

Notes and bonds in default	$352,974.97

[fol. 213] Lodi (So. Hackensack)

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:	
Local school taxes due	$16,939.57
Trust:	
Accts. payable	6,366.06

Neptune City

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:	
Actual cash deficit	$17,588.68
Trust:	
Interfund accts. payable	30,263.44
Capital:	
Bonds & notes in default	49,487.18

Monnachie

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:	
Actual cash deficit	$10,876.30
Trust:	
Indebtedness in default	7,873.18
Capital:	
Indebtedness in default	45,700.00

[fol. 214] West New York

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Bonds in default	$948,583.27

Capital:

Temp. Impvt. notes in default	48,762.47

Delaware

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Tax revenue notes in default	$84,500.00

Trust:

Serial Bonds in default	96,000.00

Capital:

Temp. Impvt. bonds in default	77,809.11

Lakewood

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Owed state & county taxes	$371,089.04

[fol. 215] Woodbridge

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Cash deficit	$15,682.03

Capital:

Bonds in default	$1,023,747.17

Chester

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

All Accounts:

Defaulted bonds and notes	$171,000.00 plus

(1935 Audit not completed.)

Mt. Ephraim

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Tax revenue notes in default	$59,500.00

Trust:

Temp. Impv't notes in default	49,720.36

Capital:

Temp. Impv't Bonds in default	42,336.37

Water Operation:

Due to water cap. acct.	5,000.00

[fol. 216] Asbury Park

The following items may be set up against funds in hand. In many cases other sums than those here indicated are due.

Statement as of 12/31/35

Current:

Tax notes and bonds in default	$649,500.00

Trust:

Temp. bonds & notes in default	219,500.00

Capital:

Bonds & notes in default	4,821,607.50

Beach Operating Acct.:

Due capital account	90,373.04

Water Operating:

Reserve for accrued int.	33,279.19

[fol. 217] EXHIBITS 18-a TO 18-q

SOVEREIGN CAMP, W. O. W.

v.

WILENTZ et als.

18-a

Moonachie

Current:	On Hand
Action cash—deficit 12/31/35—$10,876.30	
Trust:	
Cash on hand 12/31/35	$2,873.15
Capital:	
Cash on hand 12/31/35	$8,621.88
Total cash on hand	$11,495.03

18-b

Woodbridge

Current:

Cash deficit 12/31/35—$15,682.03	

	On Hand
Trust:	
Cash on hand 12/31/35	$76,251.01
Capital:	
Cash on hand	22,324.60
Total cash on hand	$98,575.61

18-c

West New York

Current:	
Cash on hand as of 12/31/35	$209,715.98
Trust:	
Cash on hand as of 12/31/35	3,185.11
Capital:	
Cash on hand as of 12/31/35	480.08
Total cash on hand	$213,381.17

18-d

Lakewood

Current only:	
Cash on hand 12/31/35	$1,202.41
Total cash on hand	$1,202.41

[fol. 218]

18-e

Lavallette

Current:	
Cash on hand 12/31/35	$886.37
Trust:	
Cash on hand 12/31/35	5,696.39
Capital:	
Cash on hand 12/31/35	162.66
Total cash on hand	$6,745.42

18-f

Fort Lee

Current:	On Hand
Cash on hand 12/31/35	$48,178.24
Trust:	
Cash on hand 12/31/35	16,843.40
Capital:	
Cash on hand	39,000.00
Total cash 12/31/35	$104,021.64
Total Cash as of 8/31/36	206,083.05

18-g

Brigantine

Cash on hand as of 8/31/36:

Current	$9,814.95
Trust	2,450.67
Capital	2,183.11
Total	$14,448.73

18-h

Manville

Cash on hand as of 12/31/35:

Current	$17,850.00
Trust	1,268.45
Capital	1,012.12
Water Account	2,713.24
Water Expense	524.97
Total cash on hand	$23,368.78

[fol. 219]

18-i

Runnemede

Cash on Hand

	On Han
Current:	
On Hand Treasurer 12/31/35	$5,661.2
Trust:	
Starting out there is a cash deficit of $9,351.94	
Capital:	
Cash on hand 12/31/35	$10,545.88
Total cash on hand	$16,207.12

18-j

Asbury Park

Current:	
Cash on hand 12/31/35—Current 1936	$145,914.69
Prior year	589,697.02
Trust:	
Cash on hand 12/31/35	42,867.24
Capital:	
Cash on hand 12/31/35	10,207.50
Beach Operating Account:	
Cash on hand 12/31/35	216,625.93
Water Operating:	
Cash on hand 12/31/35	101,756.86
Rent Deposit	41,293.73
Total	$1,148,362.97

18-k

Chester

	On Hand
Current:	
Cash on hand 12/31/35	$11,863.73
Trust:	
Cash on hand 12/31/35	22,796.52
Capital:	
Cash on hand 12/31/35	667.76
Sewer:	
Cash on hand 12/31/35	28,742.97
Water:	
Cash on hand 12/31/35	18,043.41
Total cash on hand	$82,114.39

[fol. 220]

18-l

Neptune City

Current account as of 12/31/35:	
Actual cash deficit of $17,558.68	
Trust:	
Cash on hand as of 12/31/35	$11,352.03
Capital:	
Cash on hand	571.50
Total cash on hand	$11,923.53

18-m

Lodi (So. Hackensack)

Current:	
Cash on hand as of 12/31/35	$752.02

	On Hand
Trust:	
Cash on hand	$4,758.16
Water Assess:	
Cash on hand	8,577.77
Total cash on hand	$14,087.95

18-n

Delaware

Current:	
Cash on hand 12/31/35	$6,530.64
Trust:	
Cash on hand 12/31/35	60,935.43
Capital:	
Cash on hand 12/31/35	1,323.60
Total cash on hand	$68,789.67

18-o

Avalon

Cash on hand as of 7/26/36:	
Current	$7,984.75
Trust	6,376.46
Capital	1,209.62
Sinking Fund	1,810.98
Water	1,237.83
Total	$18,619.64

[fols. 221-226]

18-p

North Bergen

Cash on hand as of 7/31/36:	
Current	$419,475.51
Trust	191,184.85
Capital	28,221.01
Sinking Fund: Reserve Account	1,366,322.77
Total	$2,005,204.14

18-q

Mt. Ephraim

	On Hand
Current:	
Cash on hand 12/31/35	$5,063.79
Trust:	
Cash on hand 12/31/35	17,391.22
Capital:	
Cash on hand 12/31/35	1,989.69
Water Operating:	
Cash on hand 12/31/35	1,352.90
Total cash on hand	$25,797.60

[fols. 227-236] EXHIBIT 14

[fol. 237] Minutes of the Municipal Finance Commission

Meeting of October 2, 1936

Borough of Runnemede, Camden County

* * * * * * *

3. The Chairman called attention to a communication addressed to the Mayor bearing date of September 22nd supplemented by a telegram dated October 1st. It was the opinion of this Commission that no deed should be executed on the part of the Borough until such time as a formal report had been filed with this Commission pertaining to the sale of this property.

3a. The disposition of the proceeds of this sale was considered and it was pointed out that under the regulations imposed upon municipalities, it was required that the proceeds of the sale would have to be deposited in the capital accounts and held in reserve subject to such disposition as may be approved by this Commission.

3b. Telegram from Borough Solicitor Varalow was received relative to the aforementioned sale and while this

explained the situation in part, it was not considered a formal report as requested.

3c. The following resolution was, therefore, proposed by Commissioner Woolston, seconded by Commissioner Backes and adopted by a unanimous vote:

3d. Whereas it has been informally reported to this Commission that the Runnemede Theatre has been sold to a private party and

3e. Whereas no formal report with respect to the sale, disposition thereof and other matters had been submitted to this Commission,

3f. Now, Therefore, be it Resolved that this Commission give no formal approval to any actions taken or to be taken in connection with such sale until a full and complete report has been filed with the Commission for consideration,

3g. And be it Further Resolved that any proceeds from the sale of this Theatre be deposited in the capital division of accounts and said proceeds be reserved subject to such disposition as may be later approved by this Commission.

4. Mr. Spencer reported on the pending tax sale and the importance thereof was discussed. After receiving Mr. Spencer's report, it was directed that the Secretary inform Counsel to this Commission that said sale would be advertised for the first time on October 16th, the date of the sale being fixed as November 10th. The Commission is of the opinion that it is very important that this sale be held on the date specified and not adjourned from week to week as permitted by statute. This opinion is based on the fact that the sale is not a complete sale but is in accordance with a resolution of the governing body, namely 1934 and prior years.

[fol. 238] Meeting of September 25, 1936

* * * * * * *

2. Copy of a letter from Henry R. Hathaway, Secretary to Eldridge R. Johnson, addressed to the Borough dated September 22nd was read by the Chairman. It was the opinion of this Commission that the proposition set forth in Mr. Hathaway's letter merited careful consideration with the thought that it might be possible to secure the assent of all

creditors to a plan somewhat similar to that being followed in the Township of Delaware.

3. The Secretary reported a visit from Mr. Grossman of Judge Varbalow's office relative to the matter of foreclosure proceedings in the Borough. Mr. Grossman was desirous of knowing whether this Commission would order the Borough Collector to forthwith turn over all remaining certificates subject to foreclosure at this time. In view of the fact that the certificates turned over to the Solicitor several months ago have not been completely foreclosed, it was the opinion of the Commission that no formal action would be taken other than that expressed in its recent resolution until such time as the Borough Solicitor has reported the status of all certificates in his possession and until there is a specific report as to the amount by which the appropriation will have been encumbered by the foreclosure of the certificates now in the possession of the Borough Solicitor. The Commission is of the opinion that when the proceedings have been completed on the certificates now in the possession of the Solicitor, it will then consider the use of any statutory powers which it may have to compel the Collector to turn over such additional certificates as may be subject to foreclosure at this time and on which the governing body has directed that proceedings be instituted.

[fol. 239] Meeting of September 18, 1936

* * * * * * *

5. Letter from Borough Solicitor Varbalow relative to foreclosure of liens was read by the Chairman and directed to be acknowledged by the Secretary in due course with a direction that the Secretary be directed to procure information relative to progress of foreclosures in process, sufficiency of appropriations, etc.

6. There was noted for the records excerpt from the minutes of Borough Council of the Borough of Runnemede meeting held on August 13th 1936 and it was the opinion of this Commission that the Collector forthwith proceed to carry out the terms of said resolution. It was the further opinion of the Commission that a tax sale should be held for all items subject to sale at this time.

7. Letter from Collector Spencer was read and the Commission directed that Mr. Spencer be requested to appear

before the Commission at its meeting of October 2nd 1936 at 11:15 o'clock A. M.

8. The matter of the sale of the Runnemede Theatre was discussed and the Secretary was directed to procure a report relative to the sale, etc.

. . . . . .

[fol. 240] Meeting of September 11, 1936

. . . . . .

6. Certified copy of a resolution adopted by the Borough Council under date of September 2nd whereby certain duplicate assessments on property known as Lot 1, Block 119 were directed to be cancelled was duly considered and it was by motion made, seconded and carried directed that assent of this Commission be given thereto subject to the approval thereof by the Auditor of the Commission.

. . . . . .

[fols. 241-242] 7a. Investigation does not indicate that the Collector of Taxes has transmitted any report to this Commission as of July 15th, therefore, the following resolution was proposed by Commissioner Martin, seconded by Commissioner Backes and adopted by a unanimous vote:

7b. Whereas the Municipal Finance Commission at a regular meeting held on May 15, 1936 adopted a resolution directing that a tax sale be started immediately after July 31, 1936 and

7c. Whereas the Tax Collector was directed to report to this Commission within thirty days after May 15th and transmit a further report on or before July 15th and

7d. Whereas no such reports have been filed,

7e. Now, Therefore, be it Resolved that the Tax Collector be directed to appear before this Commission at the next regular meeting; namely, September 18th at 11:15 o'clock A. M. and report the status of the tax sale work at this time and further report as to why the resolution of May 15th was not complied with in all particulars.

[fol.243] Meeting of September 4, 1936

. . . . . .

9. Letter from Harold M. Fisher, Commander of the John Irvin Post No. 250 relative to the refusal of this Commission to approve the reduction of interest on delinquent taxes was carefully considered. The Commission desired to go on record through these minutes to the effect that any action relieving delinquent owners of penalties creates an inequity or preference and notwithstanding the fact that there are numerous individuals who would take advantage of any action relieving the Collector of the duty of collecting accrued penalties confusion and dissatisfaction is bound to result. The Commission wishes to point out that the Borough in the final analysis must rely upon the cooperation of those individuals who pay taxes on time and who through such payments support the Borough Government. These individuals are entitled to first consideration and any action detrimental to their interests will necessarily be detrimental to the interests of the Borough as a whole.

10. Certified copy of a resolution of the Borough Council dated August 13th as more particularly detailed below was considered:

[fols. 244-246] Whereas, at the time of the adoption of the 1936 budget the State of New Jersey was furnishing in part, funds for relief and the 1936 Emergency Relief budget item was accordingly reduced, and

Whereas, since the adoption of the 1936 Budget, the State of New Jersey contributions toward emergency relief has been withdrawn, and

Whereas, at the time of the adoption of the 1936 budget said contingency was not foreseen or anticipated, Therefore,

Be it Resolved by the Mayor and Council of the Borough of Runnemede, that the 1936 budget of the Borough be increased by allowing an additional sum of $1,500.00 for Emergency Relief.

10a. It was regularly moved, seconded and carried that the assent of the Municipal Finance Commission be given to the aforesaid resolution with the proviso that the emergency appropriation be cleared in the 1937 budget.

. . . . . .

12. Some discussion followed with respect to foreclosure proceedings and it was regularly moved, seconded and carried that the Collector be directed to turn over to the Borough Attorney all tax title liens subject to foreclosure at this time.

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[fol. 247] Meeting of July 17, 1936

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4. Certified copy of a resolution adopted by the Board of Runnemede under date of July 1st was read and directed to be spread in full in these minutes.

Whereas, Taxpayers of this community have expressed to this Council a willingness to pay up delinquent taxes, if the penalties thereon be waived;

Therefore, be it Resolved, by the Mayor and Council of the Borough of Runnemede, that on all payments of delinquent taxes made on or before August 1st, 1936, to the Collector of Taxes of the Borough of Runnemede all penalties and interest be waived.

4a. Supplementing the action of this Commission at a previous meeting, it was regularly moved, seconded and carried that the assent of this Commission to the aforementioned resolution be denied.

5. Certified copy of a resolution adopted by the Borough Council under date of July 1st pertaining to the sale of the Runnemede Theatre property together with report from the auditor to this Commission thereon was duly considered and it was directed that this resolution be spread in full below:

Whereas premises in the Borough of Runnemede known as the Runnemede Theatre property, and designated as lots 13 & 14, Block 35, on the Borough tax maps, and now owned by this Borough are not presently used by it and are not needed for any public use or purpose.

Therefore, be it Resolved by the Mayor and Council of the Borough of Runnemede, that:

1. The Mayor of the Borough of Runnemede is hereby authorized to hold a public auction sale of said lands and premises, and to give lawful notice thereof in accordance with the laws of this State.

2. That said premises shall not be sold for less than $10,000.00.

3. That the Mayor of the Borough of Runnemede prepare conditions of sale to be announced at the time of sale.

4. Said terms of sale to be approved by Borough Council.

5. After considering the aforesaid resolution, it was regularly moved, seconded and carried that this Commission approve the action of the Borough Council as set forth above.

[fol. 248] 6. Report of Auditor Holcombe to the effect that he had approved a bill for oil and gasoline in the Borough in the amount of $19.78 of which $3.75 was chargeable to the police appropriation was duly considered. It appears that the $3.75 item represents charges for gasoline furnished the personally owned car of the Mayor, who is chairman of the police committee. It was the opinion of this Commission that while charges of this character were permissible there should be a report on file indicating the purpose or purposes for which the car was used when in the service of the Borough.

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[fols. 249-250] Meeting of July 10, 1936

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4. Copy of report to bondholders and creditors of the Borough and School District prepared and delivered as of July 6th was noted for the records and directed to be filed.

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[fol. 251] Meeting of July 2, 1936

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6. It was reported that at a meeting of the Borough Council held recently the resolution was adopted relieving taxpayers from the payment of interest if taxes are paid in full prior to August 1. This procedure is directly contrary to the established policy of this Commission and it was, therefore, regularly moved, seconded and carried that the Municipal Finance Commission disapprove the action of the Bor-

ough Council in eliminating the interest requirement on delinquent taxes.

6a. It is the understanding of this Commission that the Borough Collector has been collecting interest in a proper manner heretofore and it is the opinion of this Commission that he should proceed in accordance with previous actions and collect interest on all delinquent taxes.

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[fol. 252] Meeting of June 19, 1936

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4. Communication from John Price relative to taxes and other charges on property in the Borough of Runnemede was duly noted and it was the opinion of this Commission that the Collector was perfectly correct in his refusal to accept the taxes without interest, however, the Commission could see no objections to granting permission to make payments on an installment basis.

5. Letter from Borough Clerk Gaunt was read by the Chairman and directed to be answered by the Secretary. It was the opinion of this Commission that delivery slips should be secured on the relief orders in question, it being pointed out that it was not necessary that the detail be itemized on the order itself.

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[fols. 253-255] Meeting of June 12, 1936

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4. Report of Auditor Holcombe with respect to insurance matters was reviewed and it was the opinion of this Commission instead of having the D. A. Henderson & Company submit a refund check to the Borough, appropriate credit adjustment be made and a possible overexpenditure thus obviated. It was directed that the papers be returned to Mr. Holcombe with instructions to see if arrangements could not be made whereby the $82.05 check could be returned to the company and suitable credit adjustments arranged.

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[fols. 256-257] Meeting of May 29, 1936

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5. Letter from Borough Clerk Gaunt with respect to a change fund for the Borough Collector in the amount of $100.00 being authorized was duly noted.

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[fols. 258-259] Meeting of May 15, 1936

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4. Letter from the Manager of the New Jersey Bell Telephone Company at Camden relative to certain changes in telephone service in Runnemede was read by the Chairman and the Secretary was directed to authorize the auditor to this Commission to approve the claims which are now pending being those incurred prior to the changes in service.

. . . . . .

7. The matter of holding a tax sale in the Borough was discussed and it was the opinion of this Commission that the Borough Collector should take appropriate steps to have a complete tax sale instituted immediately after July 1, 1936.

7a. The following resolution was, therefore, proposed by Commissioner Backes, seconded by Commissioner Woolston and adopted by a unanimous vote:

7b. Whereas the Borough of Runnemede has held no tax sale as required by the statute and it is necessary that such action be taken,

7c. Now, Therefore, be it Resolved that the Collector of the Borough of Runnemede shall report to this Commission within thirty days from the date of this resolution what steps are being taken to hold a complete tax sale forthwith after July 1st,

7d. And be it Further Resolved that the Collector shall again report to this Commission on or before July 15th the exact status of the pending tax sale as of that date,

7e. And be it Further Resolved that such tax sale shall be started immediately after July 1 ,1936 and shall be a com-

plete sale of all property subject to sale as of said July 1, 1936.

7f. Be it Further Resolved that all of these proceedings be taken in accordance with Section 3 of Chapter 292, P. L. 1935.

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[fols. 260-261] Meeting of April 17, 1936

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6. Communication from the John Irvin Post No. 250 American Legion protesting the removal of a telephone from the Police Station was read by the Chairman and directed to be answered along the general lines that arrangements should be made with some person or official with respect to emergency calls.

7. Report from Auditor Holcombe with respect to taxes of Clara Kohl was read by the Chairman and directed to be answered along the general lines that this was a matter which should be referred to the Borough Collector. There is at present a statute pertaining to installment payments of liens or taxes and it may be that recourse could be had to the same.

8. Refunding plan for the Borough of Runnemede and the School District of the Borough dated March 1, 1936 was duly considered and a tentative assent given thereto by motion duly made, seconded and carried. It was directed that this plan be the subject of further study on the part of the members of this Commission before formal assent is given.

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[fol. 262] Meeting of April 3, 1936

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4. There was filed with the Commission a proposed plan for refinancing the Borough of Runnemede and the School District of the Borough of Runnemede bearing date of March 1st, 1936. It was directed that this proposal be the subject of study on the part of this Commission.

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[fols. 263-264] Meeting of March 27, 1936

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4. Report of Auditor Holcombe with respect to the differences existing between the advertised budget of the Borough of Runnemede and the budget approved by this Commission was reviewed and it was the opinion of this Commission that formal notice should be served on the State Auditor to again notify the County Tax Board with respect to the budget.

4a. The several differences were taken up in detail and it was regularly moved, seconded and carried that after due investigation, this Commission could not assent to the changes made by the Borough of Runnemede.

4b. The use of surplus revenue by the Borough is unwarranted and improper inasmuch as there is no surplus revenue available for appropriation. The increase in the appropriation of Health and Charities cannot be allowed inasmuch as such increase needs the specific approval of this Commission and it is not felt that such increase should be allowed at this time. The decrease in the appropriation for the Municipal Finance Commission and in the appropriation for audit might be made by the Borough except for the fact that the Commission must devote sufficient time to the affairs of the Borough to carry out the duties imposed on it by statute and it would appear that any attempt on the part of the Borough to reduce these appropriations would simply bring about the creation of a deferred charge which must be raised in future budgets. The reduction of deferred charges on the part of the Borough is without warrant in law and this Commission will not give the State Auditor authority with respect to such deferred charges.

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[fols. 265-267] Meeting of March 13, 1936

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5. A report from Auditor Holcombe with respect to the reduction of an assessment against property of Lorne Heitshu was reviewed. The facts appear to be that the County Board had fixed the valuation at a figure of $1,800.00 for the year 1933 and apparently through delay on the part of the property owner the valuation was not reduced for the years

1934 and 1935 but was reduced for the year 1936. Ther no question but what the property owner was negligent, h ever, it was the opinion of this Commission that it wo give its assent to the action of the Borough Council as pressed in its resolution provided the property owner ma settlement for all taxes, assessments and other char within ten days from the date of the adoption of this reso tion including the first quarter of taxes for the year 19 said settlement to be made in cash and based on the amo due after giving effect to said abatement. This approva given with the understanding that the assent of this Co mission will be void if cash settlement is not made for taxes and other charges including penalties within ten da from this date.

6. Printed copy of the 1936 budget of the Borough Runnemede was noted for the records and directed to filed, attention being called to the fact that this Commissi has certified a copy of the 1936 budget to the County Boa of Taxation of the County of Camden, said budget havi been approved in accordance with Section 269a of Chap 340, P. L. 1931 as amended.

7. The Secretary was directed to communicate with t Borough Collector and the Borough Clerk inquiring as what steps have been taken with regard to the holding o tax sale. The Borough of Runnemede has a tax collecti history which would permit it to work out of its Financ difficulties if all of the responsible officials in the Townsh would perform the duties which by statute they are requir to perform. In view of this fact, it is highly important th a tax sale be held forthwith. The Borough can expect consideration or cooperation from its creditors unless takes appropriate steps to carry out the requirements of t statute and in view of the fact that this municipality is in position to be refinanced within a reasonable time, it was t opinion of this Commission that appropriate steps be tak to secure greater activity in the matter of tax collectio sales, etc.

[fol. 268] Meeting of February 28, 1936

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6. Copy of letter from Special Counsel Stevens to t County Counsel of Camden County relative to the inclusi

of an item in the Runnemede tax levy pertaining to the claim of the Sovereign Camp, Woodmen of the World was read by the chairman and directed to be filed.

. . . . . .

8. Judge Varabalow, as the legal representative of the Borough, stated that the Borough was desirous of reducing certain items in the budget and in addition desired to use a certain amount of surplus revenue in an endeavor to reduce the budget.

8a. Judge Varabalow stated that the borough petitioned this Commission to reduce the item of tax sale expense and foreclosures from $2,600.00 to $900.00, to reduce the appropriation for W. P. A. projects from $1,250.00 to $750.00, was desirous of having the appropriation for deferred charges eliminated altogether, and requested reductions in the appropriations for Municipal Finance Commission and audit expense.

8b. After discussing the situation at some length it was pointed out that the appropriations for tax sale and foreclosure expense and W. P. A. projects were items under the jurisdiction of the governing body and this Commission would defer to the wishes of the Borough Council.

8c. It was pointed out that there was no surplus revenue available and as a matter of fact there was included under deferred charges $4,506.24 on account of a deficit in surplus revenue. The Commission while mindful of the importance of keeping the budget at a minimum did not feel that it could acquiesce to a lower figure for the expenses of the Commission and the cost of audit, although it was agreed that the character of the work of the collector and clerk was such that it might be possible to keep the expenses at a figure below that provided in the budget.

8d. After further review the following motion was proposed by Commissioner Martin, seconded by Commissioner Backes and adopted by a unanimous vote:

8e. Resolved, that except for the appropriation for the expenses of the Municipal Finance Commission and Audit, which items are to be the subject of further study, the request of Judge Varabalow for the elimination of the deferred charges be denied.

[fol. 269] 9. Following the conclusion of this discussio
Municipal Finance Commission proceeded to carefully
view the several items of the budget and by motion
made, seconded and carried, approved the following chan

The item under appropriations for Expense of Tax
and Foreclosures approved by this Commission at its m
ing of February 7th in the amount of $2,600.00 be and
same is hereby reduced to $900.00.

The item of appropriation W. P. A. projects $1,25
approved by this Commission at the meeting of Febru
7th be reduced from $1,250.00 to $750.00.

The items of Municipal Finance Commission $1,50
and audit $750.00 after being carefully reviewed w
directed to stand unchanged with the understanding t
this Commission through its auditors use every possi
effort to keep the expense of the Commission and its audit
at a minimum.

10. Following the above action, Commissioner Backes p
posed the following resolution which was seconded by C
missioner Martin and adopted by a unanimous vote:

10a. Whereas, the Municipal Finance Commission un
date of February 7th, 1936 approved a budget for
Borough of Runnemede for the year 1936, and

10b. Whereas, this Commission has approved the re
tion of certain items of appropriation as more particula
referred to in these minutes,

10c. Now, Therefore, be it Resolved, that the Munic
Finance Commission hereby approves the budget which
lows herewith and is made part of this resolution, and b
Further Resolved, that this budget be spread in full in th
minutes and certified to the Borough in accordance with
tion 209 (a) of Chapter 340, P. L. 1931 as amended, and

10d. Be it Further Resolved, that the Secretary trans
a certified copy of these minutes to the Secretary of
Camden County Tax Board with a notice that the bu
attached hereto and made part hereof shall be deemed
official budget of the Borough, all of which action shal
taken in accord with the section and act hereinabove
ferred to:

Borough of Runnemede
1936 Budget

Surplus Revenue Appropriated	None.
Miscellaneous Revenues:	
Licenses and Permits	$1,400.00
Interest on Delinquent Taxes	4,000.00
Interest on Assessments	1,500.00
Franchise Tax	5,000.00
Gross Receipts Tax	700.00
Tax Searches	100.00
Refund on Water Mains	1,239.36
Fines and Costs	200.00
5% Bus Gross Receipts Tax	150.00
Dog Licenses	362.55
	14,651.91
Amount to be Raised by Taxation	32,853.26
	$47,505.17

[fol. 270]

Appropriations

Administrative and Executive	$1,350.00
Assessment and Collection of Taxes	2,773.00
Department of Finance	90.00
Police	3,520.00
Fire	1,350.00
Fire Hydrant Service	2,410.00
Health and Charities	1,355.00
Public Roads	3,075.00
Street Lighting	4,000.00
Garbage Collection	100.00
Elections	200.00
Insurance	1,150.00
Telephones	280.00
Contingent	100.00
Dog License Expenses	88.00
N. J. League of Municipalities	35.00
Expense of Tax Sale and Foreclosures	900.00
Municipal Finance Commission	1,500.00
Audit	750.00
W. P. A. Projects	750.00
Debt Service	15,212.50
Deferred Charges	6,398.67
Building Inspector	100.00
Water Rent—Theatre	16.00
	$47,505.17

11. Attention is directed to the fact that the budget approved by this Commission under date of February 7, 1936 permitted the reduction in certain deferred charges amounting to $12,273.14. These by direct action of the Commission were permitted to be included in the budget in the amount of $6,398.67 with the stipulation that the reduction in such deferred charges should not be effective unless the budget as approved by the Commission be adopted in full by the governing body; which stipulation still holds with respect to the adoption of the revised and amended budget hereinabove referred to.

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[fol. 271] Meeting of February 14, 1936

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4. Certified copy of resolution adopted by the Mayor and Council of the Borough of Runnemede whereby certain taxes were settled by the use of bonds was duly considered and Auditor Holcombe's report thereon reviewed. It was the opinion of the Commission that this resolution be formally considered as a transaction pending as of October 11th, 1935, it being reported by the Borough Treasurer that all settlements involved had been consummated on or before January 31, 1936.

Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender Bonds Nos. 43 and 44 of the Borough of Runnemede, being Temporary Improvement Bonds, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments, levied and assessed respectively on the following:

Irene E. Willets, Owner	Block 61, Lot 18
Hedding Building and Loan Association, Owner	Block 51, Lot 8
Hedding Building and Loan Association, Owner	Block 94, Lot 21
Blackwood Building and Loan Association, Owner	Block 49, Lot 10

Frank Haarlander, Owner	Block 139, Lot 6
Frank Haarlander, Owner	Block 139, Lot 7
Charles D. Bowers, Owner	Block 46, Lot 9
First Mortgage Service Co., Owner	Block 42, Lot 16
First Mortgage Service Co., Owner	Block 60, Lot 19

For the purpose of taking credit therefor in the sum of One Thousand Dollars each, being the principal of the said bonds; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said Bonds Nos. 43 and 44 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars each, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, One Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Dated February 5, 1936.

[fol. 272] Statement of Taxes and Assessments Due on properties Situate in the Borough of Runnemede, Camden County, New Jersey

Irene E. Willits, Owner, Block 61, Lot 18

Balance Sidewalk	$47.80
1933 Taxes	88.20
1934 Taxes	85.36
1935 Taxes	90.72
Interest	39.57
Total	$351.65

Hedding Building and Loan Association, Owner, Block 51, Lot 8

1932 Taxes	20.49
1933 Taxes	115.24
1934 Taxes	111.57
1935 Taxes	116.64
Interest	30.00
Total	$393.94

Hedding Building and Loan Association, Owner, Block 94, Lot 21

Interest to date of sale	8.86
Balance Sidewalk	104.00
1932 Taxes	153.10
1933 Taxes	164.80
1934 Taxes	158.54
1935 Taxes	168.48
Interest	101.06
Total	$858.84

Blackwood Building and Loan Association, Owner, Block 49, Lot 10

Balance Sidewalk	253.73
1930 Taxes	48.54
Interest & Cost of Sale	19.97
1931 Taxes	108.55
1932 Taxes	99.28
1933 Taxes	103.20
1934 Taxes	99.91
1935 Taxes	102.24
Interest	120.68
Total	$956.10

Frank Haarlander, Owner, Block 139, Lot 6

1932 Taxes	60.18
1933 Taxes	81.92
1934 Taxes	79.32
1935 Taxes	80.64
Interest	40.61
Total	$342.67

Frank Haarlander, Owner, Block 139, Lot 7

1931 Taxes	10.76
1932 Taxes	8.19
1933 Taxes	9.24
1934 Taxes	8.94
1935 Taxes	10.08
Interest	8.41
Total	$55.62

Charles D. Bowers, Owner, Block 46, Lot 9

Interest & Cost of Sale	38.09
Balance Sidewalk	117.93
1932 Taxes	7.02
1933 Taxes	8.12
1934 Taxes	7.86
1935 Taxes	8.64
Interest	18.52
Total	$206.18

[fol. 273]

First Mortgage Service Co., Owner, Block 42, Lot 16

Balance Sidewalk	$43.68
1933 Taxes	120.40
Interest	19.71
Total	$183.79

(1934-1935 Taxes Paid.)

First Mortgage Service Co., Owner, Block 60, Lot 19

Balance sidewalk	54.6
1933 Taxes	93.8
Interest	20.7
Total	169.1

(1934-1935 Taxes Paid.)

Summary

	Total amount Due	Due Prior to January 1, 193
Irene E. Willets, Block 61, Lot 18	$351.65	$136.00
Hedding Building & Loan Association, Block 51, Lot 8	393.94	135.73
Hedding Building & Loan Association, Block 94, Lot 21	858.84	430.76
Blackwood Building & Loan Association, Block 49, Lot 10	956.10	633.27
Frank Haarlander, Block 139, Lot 6	342.67	142.10
Frank Haarlander, Block 139, Lot 7	55.62	28.19
Charles D. Bowers, Block 46, Lot 9	206.18	171.16
First Mortgage Service Co., Block 42, Lot 16	183.79	164.08
First Mortgage Service Co., Block 60, Lot 19	169.17	148.42
Total	$3,517.96	1,989.71

Total amount as per summary above	$3.517.9
Payment of the Borough of Runnemede temporary improvement bonds Nos. 43 and 44, dated November 1st, 1926, due November 1st 1932, Rate 5½% Denomination of $1,000.00 each	2,000.0
Balance to be paid in cash on or before January 31st, 1936	$1,517.9

4a. After a careful study of the items involved in th preceding schedules the following resolution was proposed

4b. Resolved that the Municipal Finance Commission giv its formal consent in writing to the resolution set fort above, each item being separately considered and indivi ually acted upon by the Commission.

4c. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

4d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to repre-
[fol. 274] sent all of the municipal liens or other charges now due against the properties hereinabove named.

4e. Be it Further Resolved that the assent hereinabove given is conditional upon the first quarter of the 1936 taxes being paid in cash.

4f. On motion of Commissioner Woolston, seconded by Commissioner Darby, the foregoing resolution was adopted by a unanimous vote.

5. Letter from Walter S. Keown, County Counsel for the County of Camden, accompanied by letter from Arthur T. Vanderbilt to the Secretary of the County Board of Taxation was reviewed and the matter referred to Special Counsel Stevens for appropriate action.

. . . . . .

[fol. 275] Meeting of February 7, 1936

. . . . . .

3. This meeting was called for the purpose of considering the 1936 budget of the Borough of Runnemede. Mr. Dorsett reported on his recent meeting with the Borough Council and submitted budget figures for the consideration of the Commission. After reviewing each item in detail and studying the make up of certain appropriations, the following resolution was proposed by Commissioner Backes, seconded by Commissioner Woolston and adopted by a unanimous vote:

3a. Whereas the 1936 budget of the Borough of Runne mede has been reviewed in detail by the auditor to thi Commission; namely, Mr. Dorsett, with Mr. Bowman an

3b. Whereas this budget has been the subject of revie through two hearings held in the Borough and a hearin before the full Commission and whereas the Commission i satisfied that the budget now under consideration is fai and equitable and to the best interests of all concerned;

3c. Now, Therefore, be it Resolved that the budget o the Burough of Runnemede for the year 1936 submitte by the auditor to the Commission be approved with the fo lowing changes: That the deferred charges amounting t $12,273.14 be reduced to $6,398.67; and

3d. Be it further resolved that this budget with its sup porting detail be spread in full in these minutes and certi fied to the Borough as the official budget for the year 1936 and

3e. Be it Further Resolved that this budget and the re duction in deferred charges referred to in this resolutio shall not be effective unless the budget as hereinafter pre sented be adopted in full by the governing body:

Borough of Runnemede

1936 Budget

Surplus Revenue Appropriated	Non
Miscellaneous Revenues:	
Licenses and Permits	$1,400.0
Interest on Delinquent Taxes	4,000.0
Interest on Assessments	1,500.0
Franchise Tax	5,000.0
Gross Receipts Tax	700.0
Tax Searches	100.0
Refund on Water Mains	1,239.3
Fines and Costs	200.0
5% Bus Gross Receipts Tax	150.0
Dog Licenses	362.5
	14,651.9
Amount to be raised by taxation	35,053.2
	$49,705.1

[fol. 276] Appropriations

Administrative and Executive	$1,350.00
Assessment and Collection of Taxes	2,775.00
Department of Finance	90.00
Police	3,520.00
Fire	1,350.00
Fire Hydrant Service	2,410.00
Health and Charities	1,355.00
Public Roads	3,075.00
Street Lighting	4,000.00
Garbage Collection	100.00
Elections	200.00
Insurance	1,150.00
Telephones	280.00
Contingent	100.00
Dog License Expenses	88.00
N. J. League of Municipalities	35.00
Expense of Tax Sale and Foreclosures	2,600.00
Municipal Finance Commission	1,500.00
Audit	750.00
W. P. A. Projects	1,250.00
Debt Service	15,212.50
Deferred Charges	6,398.67
Building Inspector	100.00
Water Rent—Theatre	16.00
	$49,705.17

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[fol. 277] Meeting of January 31, 1936

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6. The school budget of the Borough of Runnemede for the school year 1936-37 was taken up in detail. The Secretary reported that Mr. Bowman had contacted the Board of Education and reached a formal agreement with respect to said budget. The following resolution was, therefore, proposed by Commissioner Woolston, seconded by Commissioner Darby and adopted by a unanimous vote:

6a. Whereas it is the opinion of this Commission that the school budget as submitted by the Board of Education can be approved subject to certain changes and modifications.

6b. Now, Therefore, be it Resolved that the school budget of the Borough of Runnemede for the year 1936-37 be approved as follows: Current expenses $52,443.00 (a reduction of $1,000.00 from the figures transmitted by the Board of Education), repairs and replacements $920.00, debt service not less than $15,455.00 or a total budget of $68,818.00.

6c. And be it Further Resolved that estimated receipts from State funds and appropriation balances totalling $23,120.66 be availed of (this being an increase of $1,000.00 over the figures submitted by the Board of Education), leaving the net amount to be raised for local school taxes $45,697.34.

7. Certified copy of resolution adopted by the Borough Council under date of December 28, 1935 was filed with this Commission and directed to be spread in full in these minutes:

Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender Bonds Nos. 40, 41 and 42 of the Borough of Runnemede, being Temporary Improvement Bonds, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

[fol. 278] Prudential Insurance Co., Owner, Block 58, Lot 2A.
Thomas A. Dilley, Owner, Block 63, Lot 14.
Wallie H. Becker, Inc., Owner, Block 107, Lot 16.
Francis Halsted, Owner, Block 60, Lot 10.
Marie C. Halsted, Owner, Block 60, Lot 13A.
Winfield VanDexter, Owner, Block 38, Lots 5-6-7.
Victory Building and Loan Association, Owner, Block 98, Lot 3.
Lewis Toof, Owner, Block 136, Lot 14.
Prudential Insurance Co., Owner, Block 48, Lot 2.
Harry W. Bealer, Inc., Owner, Block 35, Lot 11a.

for the purpose of taking credit therefor in the sum of one Thousand Dollars each, being the principal of the said bonds; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up

to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash.

Now, Therefore be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bonds Nos. 40, 41 and 42 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1st, 1926, due November 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars each, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, One Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subseqvent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Prudential Insurance Co., Owner, Block 58, Lot 2a

Balance Sidewalk	$237.33
1933 Taxes	95.20
1934 "	92.14
1935 "	97.92
Interest	36.39
Total	$558.98

Thomas A. Dilley, Owner, Block 63, Lot 14

Balance Sidewalk		305
1933 Taxes		92
1934 "		110
¾ of 1935 Taxes	(Bal. Paid)	86
Interest		98
Total		693

[fol. 279] Wallie H. Becker, Inc., Owner, Block 107, Lot

1932 Taxes	$124
1933 "	128
1934 "	124
½ of 1935 Taxes	62
Interest	26
Total	$465

Marie C. Halsted, Owner, Block 60, Lot 13a

Balance Sidewalk	127
Interest	24
Total	$152

Francis Halsted, Owner, Block 60, Lot 10

Balance Sidewalk	57
Interest	5
Total	62

Winfield VanDexter, Owner, Block 38, Lots 5-6-7

Balance Sidewalk	466
1928 Taxes	36
1929 "	34
1930 "	34
Interest & Cost of Sale	116
1931 Taxes	38
1932 "	51
1933 "	57
1934 "	56
Interest	161
Total	$1,054

Victory Building and Loan Association, Owner, Block 98, Lot 3

Balance Sidewalk	62.40
1933 Taxes	104.60
1934 "	101.27
1935 "	106.56
Interest	22.54
Total	397.37

Lewis Toof, Owner, Block 136, Lot 14

Balance Sidewalk	74.54
Interest	1.48
Total	76.02

Prudential Insurance Co., Owner, Block 48, Lot 5

Balance Sidewalk	60.04
1933 Taxes	73.50
1934 "	139.57
1935 "	148.32
Interest	31.17
Total	452.60

Harry W. Bealer, Inc., Owner, Block 35, Lot 11a

1930 Taxes	113.58
Interest & Cost of Sale 11/5/31	12.50
1931 Taxes	127.15
1932 "	187.20
1933 "	191.24
1934 "	185.09
1935 "	195.84
Interest	97.35
Total	$1,109.95

[fol. 280-282] Summary—Total Amounts Due

Prudential Insurance Co., Owner, Block 58, Lot 2A	$558.99
Thomas A. Dilley, Owner, Block 63, Lot 14	69.49
Wallie H. Becker, Inc., Owner, Block 107, Lot 16	465.80
Francis Halsted, Owner, Block 60, Lot 10	62.29
Marie C. Halsted, Owner, Block 60, Lot 13A	152.03
Winfield VanDexter, Owner, Block 38, Lots 5-6-7	1,054.24
Victory Building & Loan Association, Owner Block 98, Lot 3	397.37
Lewis Toof, Owner, Block 136, Lot 14	76.02
Prudential Insurance Co., Owner, Block 48, Lot 2	452.60
Harry W. Bealer, Inc., Owner, Block 35, Lot 11A	1,109.96
Total	$5,022.79

Amounts Due Prior to January 1, 1934

Prudential Insurance Co. Block 58, Lot 2A	332.50
Thomas A. Dilley, Block 63, Lot 14	397.91
Wallie H. Becker, Inc., Block 107, Lot 16	252.48
Francis Halsted, Block 60, Lot 10	37.19
Marie C. Halsted, Block 60, Lot 13A	127.37
Winfield VanDexter, Block 38, Lots 5-6-7	$37.15
Victory Building & Loan Association, Block 98, Lot 3	167.00
Lewis Toof, Block 136, Lot 14	74.54
Prudential Insurance Co., Block 48, Lot 2	130.54
Harry W. Bealer, Inc. Block 35, Lot 11A	631.67
	$3,011.38

Total amount as per Summary above	5,022.79
Payment of the Borough of Runnemede Temporary Improvement Bonds #40-41-42 Dated November 1st, 1926, due November 1st, 1932, rate 5½% Denomination of $1,000.00 each	3,000.00
Balance to be paid in cash on or before December 28th, 1935	$2,022.79

7a. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

7b. Resolved that the Municipal Finance Commission gives its formal consent in writing to the resolution set forth

above, each item being separately considered and individually acted upon by the Commission.

7c. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

7d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

7e. Be it Further Resolved that the assent hereinabove given is conditional upon all 1935 taxes being settled in full together with any accrued penalties thereon and further conditioned upon the first quarter of the 1936 taxes being paid in cash.

7f. On motion of Commissioner Woolston, seconded by Commissioner Darby, the foregoing resolution was adopted by a unanimous vote.

. . . . . .

[fol. 283] Meeting of January 22, 1936

1. A special meeting of the Municipal Finance Commission to consider the 1936 budget of the Borough of Runnemede was held in the Office of the State Auditor on Wednesday, January 22, 1936, with Commissioners Darby, Backes and Woolston present. Mayor May, Mr. Grossman representing Judge Varbalow and Messrs. Dorsett, Bowman and Gary were also present.

2. At the outset the Chairman clearly set forth the position of the Commission with respect to conducting budget

hearings in order that there might be no doubt as to the purpose or propriety thereof.

3. The various items of the budget as requested by the Borough Council were taken up in detail in each instance where the request varied from the recommendation of Mr. Dorsett.

4. The principal items in question were telephones, police, W. P. A. project costs, overseer of poor, repairs to Broadway Bridge and foreclosure costs. In some cases the Mayor suggested a lower figure than the request submitted by the Borough and in each case due note was taken of the various figures and the reasons for any changes or suggested changes.

5. After concluding the review of the budget requests, the following resolution was proposed by Commissioner Backes, seconded by Commissioner Woolston and adopted by a unanimous vote:

5a. Resolved that the various items of the budget of Runnemede discussed at this morning's meeting be referred to Mr. Dorsett of the State Auditor's staff and he and Mr. Bowman be directed to meet with the governing body of the Borough of Runnemede for the purpose of discussing and recommending a budget to the Borough Council and that Mr. Dorsett be directed to report the results of his findings and of the findings and wishes of the governing body to this Commission; all of such actions to be taken in accordance with the provisions and requirements of Chapter 292, P. L. 1935, Section one.

6. Following the conclusion of the consideration of the Borough budget, the budget of the Board of Education was considered in some detail and Mr. Bowman was directed to contact the Board of Education officials with respect to possible reductions therein and report back to this Commission at a later date.

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[fol. 284] Meeting of January 17, 1936

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5. Consideration of the 1936 budget of the Borough of Runnemede was set for Wednesday, January 22nd, at 10:30

o'clock A. M. at which time it was directed that the Mayor of the Borough of Runnemede be directed to be present together with such members of council as might wish to appear before the Commission.

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[fols. 285-286] Meeting of January 3, 1936

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6. Letter from Borough Clerk Gaunt to the effect that nothing formal has been transmitted to him relative to the 1936 budget was duly noted and directed to be filed. There was also filed a letter from Borough Clerk Gaunt to the effect that the 8th of January would not be a satisfactory date for a budget hearing. Due to the fact that the time for the consideration of budgets is limited and the hearing calendar is tied in with other meetings, the Secretary was directed to wire the clerk as follows:

January 3, 1936.

John Gaunt, Clerk, Borough of Runnemede, Runnemede, N. J.:

Schedule of budget hearings makes it impossible to change our dates at this time. Representative does not need formal meeting of governing body but needs presence of interested officers.

G. C. Skillman, Secretary Municipal Finance Commission.

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[fol. 287] Meeting of December 13, 1935

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f. The Secretary directed attention to the fact that under date of November 18th forms for filing preliminary budget information for the year 1936 was forwarded to the Borough Clerk with the request that these forms be returned to the Commission before December 10th. No form has been filed for the Borough of Runnemede and the Commission through these minutes directs the attention of the governing body to this omission.

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[fols. 288-291] Meeting of December 6, 1935

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7. Letter from Borough Clerk Gaunt bearing date of December 2nd directing attention to the fact that the Borough Council had authorized foreclosures and receiverships on numerous properties was duly noted.

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[fols. 292-293] Meeting of November 1, 1935

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7. The matter of a tax sale was discussed and it was regularly moved, seconded and carried that this Commission recommend that the Collector proceed with a tax sale forthwith.

8. The matter of foreclosure of liens was discussed in some detail and it was regularly moved, seconded and carried that the governing body be informed that it was the consensus of opinion of this Commission that appropriate action be taken by the governing body to insure the institution and completion of foreclosure proceedings on all tax title liens now subject to foreclosure where the character of the property warrants such action.

8a. In connection with the above motion the Secretary was directed to call the attention of the Borough Collector and the Borough Clerk respectively to the action of this Commission and request that a progress report be available for the consideration of this Commission at the expiration of a thirty day period.

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[fol. 294] Meeting of October 4, 1935

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6. Report of auditing committee of the Board of Education for the fiscal year ending June 30, 1935 was filed and directed to be made part of the official minutes of this Commission.

7. Certified copy of resolution adopted by the Borough Council under date of October 3, 1935 was filed with this Commission and directed to be spread in full in these minutes:

Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bonds Nos. 36, 37, 38, 39 and 46 of the Borough of Runnemede being Temporary Improvement Bonds, dated November 1st, 1926, due November 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Walter H. Andrews, Owner, Block 12, Lot 15.
Walter H. Andrews, Owner, Block 12, Lot 3.
Nina D. Butler, Owner, Block 108, Lot 8.
Charles D. Bowers, Owner, Block 46, Lot 8.
Gloucester County Title & Mortgage Guarantee Co., Owner, Block 114, Lot 18.
Gloucester County Title & Mortgage Guarantee Co., Owner, Block 113, Lot 12.
Gloucester County Title & Mortgage Guarantee Co., Owner, Block 114, Lot 4.
Mary E. Volz, Owner, Block 95, Lot 10.
Barrington Building Loan, Block 121, Lot 17.
Board of Ministerial Pensions & Relief United Presbyterian Church of North America, Owner, Block 15, Lots 13-13a.
Charles MacKenzie, Block 58, Lot 4.
Wm. R. Cundy, Block 44, Lot 22.

[fol. 295] For the purpose of taking credit therefor in the sum of One Thousand Dollars each, being the principal of the said bonds; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said Bonds Nos. 36, 37, 38, 39 and 46 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1st, 1926, due November 1st, 1932, interest rate 5¼ per centum, in

the denomination of One Thousand Dollars each, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, One Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Dated October 3rd, 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Walter H Andrews, Owner, Block 12, Lot 15

1931 Taxes	$104.72
1932 Taxes	110.98
1933 Taxes	115.80
1934 Taxes	108.40
¾ of 1935 Taxes	84.70
Interest	73.16
Total	597.76

Walter H. Andrews, Owner, Block 12, Lot 13

1931 Taxes	104.72
1932 Taxes	102.96
1933 Taxes	106.40
1934 Taxes	102.98
¾ of 1935 Taxes	80.46
Interest	69.11
Total	566.63

Nina D. Butler, Owner, Block 108, Lot 8

1929 Taxes	107.07
1930 Taxes	104.62
1931 Taxes	117.11
Interest & Cost	32.15
1932 Taxes	102.96
1933 Taxes	105.84
1934 Taxes	102.44
¾ of 1935 Taxes	82.08
Interest	60.42
Total	814.69

[fol. 296] Charles D. Bowers, Owner, Block 46, Lot 8

1933 Taxes	$105.44
1934 Taxes	102.08
1935 Taxes	106.56
Interest	24.55
Total	338.63

Gloucester County Title & Mortgage Guarantee Co., Owner, Block 114, Lot 18

1929 Taxes	51.35
1930 Taxes	105.69
Interest & Cost	22.26
1931 Taxes	118.31
1932 Taxes	110.45
1933 Taxes	113.40
1934 Taxes	109.76
½ of 1935 Taxes	54.88
Interest	109.86
Total	795.96

Gloucester County Title & Mortgage Guarantee Co., Owner, Block 113, Lot 12

1929 Taxes	51.35
1930 Taxes	105.69
Interest & Cost	22.56
1931 Taxes	120.70
1932 Taxes	112.79
1933 Taxes	123.20
1934 Taxes	113.82
½ of 1935 Taxes	56.91
Interest	114.10
Total	821.12

Gloucester County Title & Mortgage Guarantee Co., Owner, Block 114, Lot 4

Sidewalk	118.31
1931 Taxes	127.23
1932 Taxes	128.76
1933 Taxes	127.00
1934 Taxes	121.95
¾ of 1935 Taxes	95.28
Interest	114.02
Total	832.55

Mary E. Volz, Owner, Block 95, Lot 10

Sidewalk	41.60
Interest	2.52
¾ of 1935 Paid	
Total	44.12

Barrington Building Loan, Owner, Block 121, Lot 17

Sidewalk	55.25
1931 Taxes	120.50
1932 Taxes	117.00
1933 Taxes	121.96
1934 Taxes	118.06
¾ of 1935 Taxes	91.72
Interest	82.18
Total	706.67

[fol. 297] Board of Ministerial Pensions & Relief United Presbyterian Church of North America, Owner, Block 15, Lot 13-13a

Sidewalk	$392.26
1926 Taxes	14.50
1927 Taxes	10.95
1928 Taxes	13.80
Interest & Cost	35.13
1929 Taxes	186.82
1930 Taxes	180.85
1931 Taxes	202.44
1932 Taxes	198.20
1933 Taxes	203.00
1934 Taxes	185.64
¾ of 1935 Taxes	145.05
Interest	347.52
Total	2,116.16

Charles MacKenzie, Owner, Block 58, Lot 4

Sidewalk	43.96
1932 Taxes	39.04
1933 Taxes	102.25
1934 Taxes	98.99
¾ of 1935 Taxes	76.58
Interest	26.30
Total	387.12

Wm. R. Cundy, Owner, Block 44, Lot 22

Sidewalk	69.26
1934 Taxes	117.89
¾ of 1935 Taxes	92.11
Interest	8.94
Total	288.20

Summary—Total Amounts Due

Walter H. Andrews, Block 12, Lot 15	$597.
Walter H. Andrews, Block 12, Lot 13	566.
Nina D. Butler, Block 108, Lot 8	814.
Charles D. Bowers, Block 46, Lot 8	338.
Gloucester County Title & Mortgage Guarantee Co., Block 114, Lot 18	795.
Gloucester County Title & Mortgage Guarantee Co., Block 113, Lot 12	821.
Gloucester County Title & Mortgage Guarantee Co., Block 114, Lot 4	832.
Mary E. Volz, Block 95, Lot 10	44.
Barrington Building Loan, Block 121, Lot 17	706.
Board of Ministerial Pensions & Relief United Presbyterian Church of North America, Block 15, Lot 13-13a	2,116.
Charles MacKenzie, Block 58, Lot 4	387.
Wm. R. Cundy, Block 44, Lot 22	288.
Total	8,309.

[fols. 298-300] Amounts Due Prior to January 1, 1934

Walter H. Andrews, Block 12, Lot 15	$331.
Walter H. Andrews, Block 12, Lot 13	314.
Nina D. Butler, Block 108, Lot 8	569.
Charles D. Bowers, Block 46, Lot 8	105.
Gloucester County Title & Mortgage Guarantee Co., Block 114, Lot 18	521.
Gloucester County Title & Mortgage Guarantee Co., Block 113, Lot 12	536.
Gloucester County Title & Mortgage Guarantee Co., Block 114, Lot 4	501.
Mary E. Volz, Block 95, Lot 10	41.
Barrington Building Loan, Block 121, Lot 17	414.
Board of Ministerial Pensions & Relief United Presbyterian Church of North America, Block 15, Lot- 13-13a	1,437.
Charles MacKenzie, Block 58, Lot 4	185.
Wm. R. Cundy, Block 44, Lot 22	69.
Total	5,028.

Total amount as per summary above	$8,309.61
Payment of the Borough of Runnemede Temporary Bonds Nos. 36, 37, 38, 39 and 46, dated November 1st, 1926, due November 1st, 1932, rate 5¼% denomination of $1,000 each	5,000.00
Balance to be paid in cash on or before September 23rd, 1935	$3,309.61

7a. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

7b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above, each item being separately considered and individually acted upon by the commission.

7c. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

7d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

7e. Be it Further Resolved that such assent is granted with the proviso that the payments received in satisfaction of the several individual items include the August 1st installment (3rd quarter) of 1935 in cash.

7f. On motion of Commissioner Woolston, seconded by Commissioner Darby, the foregoing resolution was adopted by an unanimous vote.

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[fol. 301] Meeting of September 6, 1935

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7. Letter from Judge Varbalow addressed to the Secretary under date of August 28th was considered. This communication had to do with W. P. A. projects in Runnemede and the Secretary advised that he had discussed the matter with Judge Varbalow following the receipt of the letter advising him that it would be impossible to bring the matter before the Commission until September 6th. As a result of this conversation Judge Varbalow advised him that W. P. A. applications were being made for a number of projects which applications would later be submitted to this commission for formal consideration. The Secretary stated that he had recommended that so far as possible these applications should be confined to projects which could be financed out of current appropriations as it would undoubtedly be impossible to procure the approval of any new or outside financing.

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[fols. 302-303] 12. Letter from Borough Attorney Varbalow dated August 31st requesting the presence of Mr. Gary on Thursday evening, September 5th, was noted for the records. The Secretary advised that he had wired Judge Varbalow that it would be impossible for Mr. Gary to be present at this meeting. The Commission is of the opinion that due to the large number of municipalities under the jurisdiction of the Commission, and the very limited personnel, it would be impossible to assign Mr. Gary to attend evening meetings held in the various municipalities at least until the Commission is able to enlarge its staff to a point where this can be done without operating to the detriment of other essential services.

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[fol. 304] Meeting of August 26, 1935

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3. Certified copy of resolution adopted by the Borough Council under date of August 1, 1935 was filed with the Commission and directed to be spread in full in these minutes:

Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bond No. 69 of the Borough of Runnemede, being Temporary Improvement Bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand ($1000.00) Dollars, with interest thereon, and Bonds Nos. 28, 29, 30, 31, 32, 33, 34, and 35 of the Borough of Runnemede, being Temporary Improvement Bonds, dated Nov. 1st, 1926 due Nov. 1st, 1932, interest rate 5½ per centum, in the denomination of One Thousand ($1000.00) Dollars each, or a total of Eight Thousand ($8000.00) Dollars, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Woodlynne Building Loan, Owner, Block 35, Lot 11.
Woodlynne Building Loan, Owner, Block 12, Lot 18.
Angelo Mondelli, Owner, Block 97, Lot 4.
Louise W. Lore, Owner, Block 113, Lot 35.
Henry Rosenfeld, Jr., Owner, Block 44, Lot 11.
Edward R. Sickler, Owner, Block 38, Lot 1.
James Stocks, Owner, Block 91, Lot 11.
John M. Burke, Owner, Block 89, Lot 6.
John M. Burke, Owner, Block 89, Lot 11.
Citizens Building Loan, Owner, Block 51, Lot 7.
Barrington Building Loan, Owner, Block 49, Lot 12.
Harvey Longenecker, Owner, Block 121, Lot 16.
James R. Marston, Owner, Block 129, Lot 3.
Blanche Crump, Owner, Block 106, Lot 11.
John Hancock Insurance Co., Owner, Block 59, Lot 2.
John Hancock Insurance Co., Owner, Block 59, Lot 3.
Blackwood Building Loan, Owner, Block 141, Lot 4.
Barrington Building Loan, Owner, Block 142, Lot 6.
Jane R. Gaunt, Owner, Block 39, Lot 5.
Metropolitan Life Insurance Co., Owner, Block 39, Lot 13B.
J. Ralph Styer, Owner, Block 58, Lot 3.
John J. Tull, Owner, Block 49, Lot 158.
Albert L. Turnley, Owner, Block 114, Lot 16.
First Camden National Bank, Owner, Block 107, Lot 12.
Gloucester County M. & G. T. Co., Owner, Block 76, Lot 8f.
Gloucester County M. & G. T. Co., Owner, Block 113, Lot 11.

Gloucester County M. & G. T. Co., Owner, Block 1
Lot 12.
Gloucester County M. & G. T. Co., Owner, Block 9
Lot 23a.
Gloucester County M. & G. T. Co., Owner, Block 12
Lot 15.
Gloucester County M. & G. T. Co., Owner, Block 11
Lot 14.
Gloucester County M. & G. T. Co., Owner, Block 5
Lot 1,

[fol. 305] for the purpose of taking credit therefor in th sum of Nine Thousand Dollars, being the principals of sai bonds; and further tender the payment of the balance o said taxes and municipal liens, together with all taxes an municipal liens subsequent to January 1st, 1934, and up t and including the taxes assessed for the year 1934, in ful with interest upon all delinquent taxes and assessments, i cash:

Now, Therefore, be it Resolved by the Mayor and Boroug Council of the Borough of Runnemede, in the County o Camden, New Jersey, that the Tax Collector of the Boroug of Runnemede be and he is hereby authorized and directed t accept from the said owners said Bond No. 69 of the Boroug of Runnemede, being Temporary Improvement Bond, date September 1st, 1926, due September 1st, 1932, interest rat 5¼ per centum, in the denomination of One Thousan ($1,000.00) Dollars, with interest thereon, and Bonds Nos 28, 29, 30, 31, 32, 33, 34 and 35 of the Borough of Runnemede being Temporary Improvement Bonds dated November 1st 1926, due November 1st, 1932, interest rate 5½ per centum in the denomination of One Thousand ($1,000.00) Dollar each, or a total of Eight Thousand ($8,000.00) Dollars, wit interest thereon, on account of the principal of taxes an municipal liens and assessments upon premises assessed i the names of the owners hereinabove recited and as herein above set forth, which fell due prior to January 1st, 1934 and to give credit therefore, for said bonds and interest i the amount of the principal of said bonds only, to wit, Nin Thousand ($9,000.00) — provided that the balance of the sai municipal liens and taxes together with taxes and municipa liens subsequent to January 1st, 1934, and the interest upo all delinquent taxes and municipal liens, be paid in full i cash; and, provided further, that said payments shall b

made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated August 1st, 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Woodlynne Building Loan, Owner, Block 35, Lot 11

Balance 1930 Taxes	$3.44
Int. & Cost to date of sale	12.50
1931 Taxes	127.15
1932 Taxes	187.20
Interest	81.05
Total	411.34

(1933-34 & ½ of 1935 Taxes paid.)

Woodlynne Building Loan, Owner, Block 12, Lot 18

Balance 1930 Taxes	15.60
Int. & Cost to date of sale	11.59
1931 Taxes	95.60
1932 Taxes	86.58
Interest	53.87
Total	263.24

(1933-34 & ½ of 1935 Taxes paid.)

[fol. 306] Angelo Mondelli, Owner, Block 97, Lot 4

Balance Sidewalk	$209.68
1931 Taxes	59.94
1932 Taxes	105.30
1933 Taxes	109.20
1934 Taxes	105.69
½ of 1935 Taxes	52.84
Interest	118.32
Total	760.97

Louise W. Lore, Owner, Block 113, Lot 35

Balance 1929 Taxes	6.70
1930 Taxes	88.61
Int. & Cost to date of sale	54.11
Balance Sidewalk	113.57
1931 Taxes	99.19
1932 Taxes	91.73
1933 Taxes	92.40
1934 Taxes	89.43
½ of 1935 Taxes	44.70
Interest	132.08
Total	812.52

Henry Rosenfeld, Jr., Block 44, Lot 11

Balance Sidewalk	30.30
1932 Taxes	64.01
1933 Taxes	114.24
1934 Taxes	110.57
½ of 1935 Taxes	55.28
Interest	22.13
Total	396.53

Edward R. Sickler, Block 38, Lot 1

Balance Sidewalk	1,375.06
1931 Taxes	296.40
1932 Taxes	293.50
1933 Taxes	274.28
1934 Taxes	250.05
½ of 1935 Taxes	125.02
Interest	461.30
Total	3,075.61

James Stocks, Block 91, Lot 11

Balance Sidewalk	8.32
Interest	.48
Taxes for 1935 Paid	
Total	8.80

John M. Burke, Block 89, Lot 6

1933 Taxes	81.93
1934 Taxes	93.68
½ of 1935 Taxes	46.84
Interest	8.00
Total	230.45

John M. Burke, Block 89, Lot 11

1933 Taxes	6.82
1934 Taxes	7.86
½ of 1935 Taxes	3.92
Interest	2.00
Total	20.60

[fol. 307] Citizen Building Loan, Block 51, Lot 7

1933 Taxes	$94.24
1934 Taxes	91.24
Interest	24.09
Total	209.57

(½ of 1935 Taxes Paid).

Barrington Building Loan, Block 49, Lot 12

Balance Sidewalk	268.24
1932 Taxes	102.79
1933 Taxes	107.40
1934 Taxes	103.98
½ of 1935 —	51.98
Interest	99.85
Total	734.24

Harvey Longenecker, Block 121, Lot 16

Balance Sidewalk	87.22
1934 Taxes	20.60
½ of 1935 Taxes	10.30
Interest	8.84
Total	126.96

James R. Marston, Block 129, Lot 3

Balance Sidewalk	54.1
Interest	1.0
Total	55.2

(½ of 1935 Paid).

Blanche Crump, Block 106, Lot 11

Balance Sidewalk	27.7
½ of 1935 Taxes	5.1
Interest	2.4
Total	35.2

John Hancock Insurance Co., Block 59, Lot 3

Balance Sidewalk	30.7
Interest	2.2
Total	32.9

(½ of 1935 Taxes Paid.)

John Hancock Insurance Co., Block 59, Lot 2

Balance Sidewalk	30.7
Interest	2.2
Total	32.9

(½ of 1935 Taxes Paid.)

Blackwood Building Loan, Block 141, Lot 4

1933 Taxes	92.1
1934 Taxes	86.4
½ of 1935 Taxes	43.2
Interest	20.8
Total	242.6

Barrington Building Loan, Block 142, Lot 6

1932 Taxes	43.1
1933 Taxes	42.0
1934 Taxes	67.7
½ of 1935 Taxes	33.8
Interest	21.1
Total	207.8

[fol. 308] Jane R. Gaunt, Block 39, Lot 5

Balance Sidewalk	76.47
1931 Taxes	109.94
1932 Taxes	99.28
1933 Taxes	113.28
1934 Taxes	109.40
½ of 1935 Taxes	54.70
Interest	63.89
Total	626.96

Metropolitan Life Insurance Co., Block 39, Lot 13B

1933 Taxes	118.32
1934 Taxes	113.47
½ of 1935 Taxes	56.72
Interest	27.66
Total	316.17

J. Ralph Styer, Block 58, Lot 3

Balance Sidewalk	32.96
Interest	1.98
Total	34.94

(½ of 1935 Taxes Paid)

John J. Tull, Block 49, Lot 15b

Balance Sidewalk	68.78
½ of 1934 Taxes	38.54
½ of 1935 Taxes	40.88
Interest	21.54
Total	169.74

Albert L. Turnley, Block 114, Lot 16

Balance Sidewalk	33.61
Interest	2.04
Total.	35.65

First Camden National Bank, Block 107, Lot 12

1932 Taxes	59.23
1933 Taxes	121.90
1934 Taxes	118.11
½ or 1935	59.05
Interest	29.12
Total	387.41

Gloucester County M. & G. T. Co., Block 76, Lot 8F

Balance Sidewalk	93.22
1931 Taxes	106.89
1932 Taxes	109.98
1933 Taxes	113.40
1934 Taxes	109.76
½ of 1935 Taxes	54.88
Interest	82.68
Total	670.81

Gloucester County M. & G. T. Co., Block 113, Lot 11

1929 Taxes	17.40
1930 Taxes	87.54
Interest & Cost to Date of Sale	15.50
1931 Taxes	112.33
1932 Taxes	117.94
1933 Taxes	123.20
1934 Taxes	113.82
½ of 1935 Taxes	56.91
Interest	94.60
Total	739.24

[fol. 309] Gloucester County M. & G. T. Co., Block 18, Lot 12

1932 Taxes	$91.26
1933 Taxes	92.40
1934 Taxes	89.43
½ of 1935 Taxes	44.71
Interest	59.42
Total	377.22

Gloucester County M. & G. T. Co., Block 92, Lot 23A

1929 Taxes	54.62
1930 Taxes	106.75
Interest & Cost to Date of Sale	22.02

1931 Taxes	119.50
1932 Taxes	112.15
1933 Taxes	99.40
1934 Taxes	108.40
½ of 1935 Taxes	54.20
Interest	109.78
Total	786.82

Gloucester County M. & G. T. Co., Block 121, Lot 15

1932 Taxes	39.11
1933 Taxes	76.04
1934 Taxes	97.02
½ of 1935 Taxes	48.51
Interest	20.64
Total	281.32

Gloucester County M. & G. T. Co., Block 113, Lot 14

1928 Taxes	8.05
1929 Taxes	95.05
1930 Taxes	92.88
Interest & Cost to Date of Sale	30.97
1931 Taxes	103.97
1932 Taxes	91.73
1933 Taxes	92.40
1934 Taxes	89.43
½ of 1935 Taxes	44.71
Interest	110.99
Total	760.18

Gloucester County M. & G. T. Co., Block 51, Lot 1

1928 Taxes	133.40
1929 Taxes	126.73
1930 Taxes	125.97
Interest & Cost to Date of Sale	71.47
1931 Taxes	141.01
1932 Taxes	138.06
1933 Taxes	144.20
1934 Taxes	136.85
½ of 1935 Taxes	68.42
Interest	209.05
Total	1,295.16

[fol. 310]

	Amounts Due Prior to 1/1/34	Total Amounts Due
Woodlynne Building Loan, Block 35, Lot 11	330.29	411.34
Woodlynne Building Loan, Block 12, Lot 18	209.37	263.24
Angello Mondelli, Block 97, Lot 4	484.12	760.97
Louise W. Lore, Block 113, Lot 35	546.31	812.52
Henry Rosenfeld, Jr., Block 44, Lot 11	208.55	396.53
Edward R. Sickler, Block 38, Lot 1	2,239.24	3,075.61
James Stocks, Block 91, Lot 11	8.32	8.80
John M. Burke Block 89, Lot 6	81.93	230.45
John M. Burke, Block 89, Lot 11	6.82	20.60
Citizens Building Loan, Block 51, Lot 7	94.24	209.57
Barrington Building Loan, Block 49, Lot 12	478.43	734.24
Harvey Longenecker, Block 121, Lot 16	87.22	126.96
James R. Marston, Block 129, Lot 3	54.19	55.27
Blanche Crump, Block 106, Lot 11	27.70	35.27
John Hancock Insurance Co., Block 59, Lot 2	30.75	32.97
John Hancock Insurance Co., Block 59, Lot 3	30.76	32.98
Blackwood Building Loan, Block 141, Lot 4	92.12	242.64
Barrington Building Loan, Block 142, Lot 6	85.12	207.85
Jane R. Gaunt, Block 39, Lot 5	398.97	626.96
Metropolitan Life Ins. Co., Block 39, Lot 13B	118.32	316.17
J. Ralph Styer, Block 58, Lot 3	32.96	34.94
John J. Tull, Block 49, Lot 15B	68.78	169.74
Albert L. Turnley, Block 114, Lot 16	33.61	35.65
First Camden National Bk., Block 107, Lot 12	181.13	387.41
Gloucester County M. & G. T. Co., Block 76, Lot 8F	423.49	670.81
Gloucester County M. & G. T. Co., Block 113, Lot 11	473.91	739.24
Gloucester County M. & G. T. Co., Block 18, Lot 12	183.66	377.22
Gloucester County M. & G. T. Co., Block 92, Lot 23A	514.44	786.82
Gloucester County M. & G. T. Co., Block 121, Lot 15	115.15	281.32
Gloucester County M. & G. T. Co., Block 113, Lot 14	515.05	760.18
Gloucester County M. & G. T. Co., Block 51, Lot 1	880.84	1,295.16
Amount due prior to January 1st, 1934	9,035.79	
Summary of Total Amounts Due		14,139.43
Total Amount as Per Summary Above		14,139.43
Payment of Borough of Runnemede Temporary Improvement Bond #69 Dated 9/1/26 Due 9/1/32 Rate 5¼% Denomination $1,000	$1,000.00	
Payment of Borough of Runnemede Temporary Improvement Bonds 28 to 35 Inclusive Dated 11/1/26 Due 11/1/32 Rate 5½% Denomination of $1,000.00 Each	8,000.00	9,000.00
Balance to be Paid in Cash on or Before 7/29/35		$5,139.43

3a. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

3b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above.

[fol. 311] 3c. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items include the August first installment (3rd quarter) of 1935 taxes in cash on or before the date of settlement and that settlement be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

3d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

3e. On motion of Commissioner Backes, seconded by Commissioner Woolston the foregoing resolution was adopted by an unanimous vote.

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[fol. 312] Meeting of July 22, 1935

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2. There was presented for consideration of the Municipal Finance Commission copy of a resolution adopted by the Mayor and Council of the Borough of Runnemede pertaining to the proposed lease agreement between the Borough of Runnemede and the Runnemede Theatres, Inc. After due consideration the following resolution was pro-

posed by Commissioner Backes, seconded by Commissione Darby and adopted by an unanimous vote:

2a. Resolved that the assent of the Municipal Finan Commission be given to the proposed lease between t Borough of Runnemede and the Runnemede Theatres, In a copy of which lease is attached to a certification ma by the Borough Clerk of the Borough of Runnemede to th Commission under date of July 20, 1935.

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[fol. 313] Meeting of July 12, 1935

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3. The following resolution was proposed by Commi sioner Backes, seconded by Commissioner Woolston a adopted by an unanimous vote:

Whereas Chapter 258 of the Laws of 1935 provides amo other things that wherever the Municipal Finance Commi sion is functioning in a municipality having a school di trict coterminous therewith which is governed by the pr visions of Article VII of the Act to which this act is a su plement, hereinafter referred to as the "School Law", t Commission shall have power from time to time to prepa and certify to the Board of Education of such school distri in the manner and mode of procedure provided in the co mission act, resolutions providing for the funding or r funding of notes or bonds or other indebtedness of su school district, and the interest thereon, which the commi sion shall have found after public hearing to be outstan ing and unpaid and to be due or to become due which fundi shall be carried out in accordance with an "Act concerni municipal finances" and whereas the Borough of Runn mede and the School District are coterminous,

Now, Therefore, Be it Resolved by the Municipal Finan Commission that this Commission intends to exercise of the powers conferred upon said Municipal Finance Co mission by Section 14 of said act of 1935 and hereby giv notice to the Board of Education of the School District the Borough of Runnemede, in the County of Camden and all other persons interested of its intention to so exerci all of the powers conferred by said section.

Be it Further Resolved that a copy of this resolution sh be certified to the District Clerk of said school district

mailing to said district clerk by first class mail a certified copy of the minutes of this meeting.

4. The following resolution was proposed by Commissioner Backes, seconded by Commissioner Woolston and adopted by an unanimous vote.

Whereas pursuant to the provisions of chapter 292 of the Session Laws of 1935, it is provided that whenever pursuant to "an act concerning municipal finances", this Commission is functioning in any municipality, the auditor appointed by the Commission in and for such municipality shall upon the adoption of a resolution of this commission have with respect to such municipality authority among other things to review all contracts prior to their execution and authorization by the governing body, to make recommendations concerning capital improvements and attend all meetings of the governing body and

Whereas it is the opinion of this Commission that the auditor acting for this Commission in and for the Borough of Runnemede, county of Camden should have the authority hereinabove set forth.

[fols. 314-315] Now, Therefore, be it resolved that the auditor acting for the Municipal Finance Commission shall have authority to review all contracts prior to their execution, to make recommendations concerning capital improvements, to attend all meetings of the governing body and to make appropriate recommendations to this Commission with respect thereto.

Be it Further Resolved that the auditor to this Commission be directed to make such recommendations to the Commission as he may deem appropriate and proper in connection with the powers and duties vested in this Commission by section three of the aforementioned act and

Be it Further Resolved that a copy of this resolution be certified to the governing body by mailing by first class mail a certified copy of the minutes of this meeting to the municipal clerk.

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9. Certified copy of resolution adopted by the Borough Council under date of June 6th relative to the purchase of past due sewer bonds was duly considered and assent given thereto by motion duly made and seconded, based on the

statement of Auditor Holcombe that the transaction was proper and the price fair.

10. Letters from Borough Clerk Gaunt and Solicitor Varbalow with regard to the proposed lease of the Runnemede Theatre was duly noted for the records and directed to be filed.

10a. The matter of leasing the Runnemede Theatre by the Borough in accordance with the terms of a lease duly filed with this Commission was carefully reviewed and after due consideration, the following motion was proposed by Commissioner Backes, duly seconded and adopted by an unanimous vote: That the proposed lease between the Borough of Runnemede and the Runnemede Theatres, Incorporated be disapproved.

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[fols. 316-319] Meeting of June 7, 1935

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7. Notice being used by the Tax Collector to collect delinquent taxes was reviewed by the Commission and directed to be filed.

8. Letter from Borough Solicitor Varbalow bearing date of May 29th and copy of a proposed lease of the Runnemede Theatre was reviewed at some length. Action on the proposed lease was deferred until all members of the Commission had an opportunity to study it in further detail.

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[fol. 320] Meeting of April 26, 1935

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5. Letter from C. Armel Nutter, President of the Nutter Mortgage Service with respect to certain property in the Borough of Runnemede was carefully considered by the Commission and it was directed that Mr. Nutter be advised that the Commission could not see its way clear to assent to the Proposal set forth in his letter. The Commission stated further that Mr. Nutter should be advised that a representative of this Commission would review the property at first hand and render a further report thereon at a later date but

that unless there were some good reasons not now apparent, the Commission could not see its way clear to assent to a sizable reduction in principal amounts due.

6. Certified copies of resolutions adopted by the Borough Council under dates of April 4th 1935 and April 22nd 1935 respectively were filed with this Commission and directed to be spread in full in these minutes.

(1) Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bonds Nos. 64 and 65 of the Borough of Runnemede, being Temporary Improvement Bonds, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00) each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Anthony DeRano, Owner, Block 50, Lot 2.
Mary M. Petry, Owner, Block 35, Lot 7.
R. Blanche Ruggles, Owner, Block 64, Lot 7.
Elizabeth W. Miller, Owner, Block 113, Lot 8.
Jane R. Gaunt, Owner, Block 113, Lot 19.
Lydia J. Carkk, Owner, Block 113, Lot 29.
J. H. Fritchey, Owner, Block 44, Lots 10-12.
Hammonton Building Loan, Owner, Block 6, Lot 11.
William Cook, Owner, Block 138, Lot 5.
Letita Carney, Owner, Block 58, Lot 2.
Forrest R. Henry, Owner, Block 108, Lot 20.
John G. Loll, Owner, Block 57, Lot 5.
Hannah C. Reeve, Owner, Block 42, Lot 5.
Clara B. Magin, Owner, Block 42, Lot 1A.
Jean P. DeRoche, Owner, Block 39, Lot 2.
Margaret McLallend, Owner, Block 72, Lot 7.
[fol. 321] Charles Goll, Owner, Block 96, Lot 7.
D. P. Childs (Trustee), Owner, Block 54, Lot 4.
John Stinsman, Owner, Block 95, Lot 13.
Rudy Bertram, Owner, Block 6, Lot 10.
Anthony Houck, Owner, Block 55, Lot 6.
James E. Price, Owner, Block 38, Lot 2.
Adolph Fulleman, Owner, Block 40, Lot 12.
Dorothea D. Weil, Owner, Block 55, Lot 9.
James R. Marston, Owner, Block 129, Lot 2.

Annie Mercer, Owner, Block 50, Lot 9.
Adolph Vietzen, Owner, Block 75, Lot 1.
J. Clois Shivers, Owner, Lot 61, Lot 23.
Hildagard Koehler, Owner, Block 13, Lot 11.
Jacob Miller, Owner, Block 129, Lot 7.
James Burns, Owner, Block 113, Lot 36.
John Gaunt, Owner, Block 55, Lot 2.

For the purpose of taking credit therefor in the sum of One Thousand Dollars each, being the principal of the said bonds; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bonds Nos. 64 and 65 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bonds only, to wit, One Thousand Dollars ($1,000.00) each, provided that the balance of the said municipal leins and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated April 4th 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Anthony DeRano, Owner, Block 50, Lot 2

Balance Sidewalk	$22.10
Interest	1.32
Total	$23.42

Taxes including the 1st quarter paid (1935)

[fol. 322] Mary M. Petry, Owner, Block 35, Lot 7

Balance Sidewalk	$60.46
Interest	4.32
Total	64.78

Taxes including the 1st Quarter 1935 paid.

R. Blanche Ruggles, Owner, Block 64, Lot 7

Balance Sidewalk	40.96
Interest	2.46
Total	43.42

Taxes including the 1st Quarter 1935 paid.

Elizabeth W. Miller, Owner, Block 113, Lot 8

Balance Sidewalk	34.05
Interest	2.04
Total	36.09

Taxes including the 1st Quarter 1935 paid.

Jane R. Gaunt, Owner, Block 113, Lot 19

Balance Sidewalk	33.61
Interest	2.04
Total	35.65

Taxes including the 1st Half 1935 paid.

Lydia J. Carll, Owner, Block 113, Lot 29

Balance Sidewalk	34.05
Interest	2.04
Total	36.09

Taxes including the 1st Quarter 1935 paid.

J. H. Fritchey, Owner, Block 44, Lots 10-12

Balance Sidewalk	60.60
Interest	3.60
Total	64.20

Taxes including the 1st Half 1935 paid.

Hammonton Building & Loan Association, Owner Block 6, Lot 11

Balance Sidewalk	31.92
Interest	.64
Total	32.56

Taxes including the 1st Quarter 1935 paid.

William Cook, Owner, Block 138, Lot 5

Balance Sidewalk	55.06
Interest	1.10
Total	56.16

Taxes including the 1st Half 1935 paid.

Letita Carney, Owner, Block 58, Lot 2

Balance Sidewalk	122.88
Interest	7.38
Total	130.26

Taxes including the 1st Quarter 1935 paid.

[fol. 323] Forrest R. Henry, Owner, Block 108, Lot 20

2nd half Taxes 1932	67.86
Taxes 1933	140.84
Taxes 1934	136.30
1st quarter Taxes 1935	34.07
Interest	40.61
Total	419.68

John G. Loll, Owner, Block 57, Lot 5

Balance Sidewalk	39.94
Interest	2.40
Total	42.34

Taxes including the 1st Quarter 1935 paid.

Hannah C. Reeve, Owner, Block 42, Lot 5

Balance Sidewalk	32.75
Interest	1.98
Total	34.73

Taxes including the 1st Quarter 1935 paid.

Clara B. Magin, Owner, Block 42, Lot 1A

Balance Sidewalk	182.69
1931 Taxes	13.40
1932 Taxes	13.12
1933 Taxes	15.68
1934 Taxes	20.60
1st Quarter 1935 Taxes	5.15
Interest	47.62
Total	298.26

Jean P. De Roche, Owner, Block 39, Lot 3

Balance Sidewalk	16.41
Interest	.96
Total	17.37

Taxes including the 1st Half 1935 paid.

Adolph Fulleman, Owner, Block 40, Lot 12

Balance Sidewalk	32.75
Interest	1.98
Total	34.73

Taxes including the 1st Quarter 1935 paid.

Dorothea D. Weil, Owner, Block 55, Lot 9A

Balance Sidewalk	121.62
Interest	6.56
Total	128.18

Taxes including 1st Quarter 1935 paid.

James R. Marston, Owner, Block 129, Lot 2

Balance Sidewalk	52.5
Interest	1.0
Total	53.6

Taxes including 1st Quarter 1935 paid.

Annie Mercer, Owner, Block 50, Lot 9

Balance Sidewalk	35.3
Interest	2.1
Total	37.4

Taxes including 1st Quarter 1935 paid.

[fol. 324] Adolph Vietzen, Owner, Block 75, Lot 1

Balance Sidewalk	61.5
Interest	3.7
Total	65.2

Taxes including 1st Quarter 1935 paid.

J. Clois Shivers, Owner, Block 61, Lot 23

Balance Sidewalk	177.5
Interest	23.0
Total	200.6

Taxes including 1st Quarter 1935 paid.

Hildagard Koehler, Owner, Block 13, Lot 11

Balance Sidewalk	97.69
Interest	5.88
Total	103.57

Taxes including 1st Quarter 1935 paid.

Jacob Miller, Owner, Block 129, Lot 7

Balance Sidewalk	105.08
Interest	2.10
Total	107.18

Taxes including 1st Quarter 1935 paid.

James Burns, Owner, Block 113, Lot 36

Balance Sidewalk	34.05
Interest	2.04
Total	36.09

Taxes including 1st Quarter 1935 paid.

John Gaunt, Owner, Block 55, Lot 2

Balance Sidewalk	40.96
Interest	2.46
Total	43.42

Taxes including 1st Quarter 1935 paid.

Margaret McLallend, Block 72, Lot 7—Owner

Balance Sidewalk	44.94
Interest	2.70
Total	47.64

Taxes including 1st half 1935 paid.

Charles Goll, Block 96, Lot 7—Owner

Balance Sidewalk	20.80
Interest	1.26
Total	22.06

Taxes including 1st quarter 1935 paid.

D. P. Childs (Trustee) Owner, Block 54, Lot 4

Balance Sidewalk	27.88
Interest	1.68
Total	29.56

Taxes including 1st quarter 1935 paid.

[fol. 325] John Stinsman, Owner, Block 95, Lot 13

Balance Sidewalk	20.80
Interest	1.26
Total	22.06

Taxes including 1st quarter 1935 paid.

Rudy Bertram, Owner, Block 6, Lot 10

Balance Sidewalk	31.92
Interest	.64
Total	32.56

Taxes including 1st quarter 1935 paid.

Anthony Houck, Owner, Block 55, Lot 6

Balance Sidewalk	40.96
Interest	2.46
Total	43.42

Taxes including 1st quarter 1935 paid.

James E. Price, Owner, Block 38, Lot 2

Balance Sidewalk	38.53
Interest	.57
Total	39.10

Taxes including 1st quarter 1935 paid.

Summary Total Amounts Due

Anthony De Rano, Block 50, Lot 2	$23.42
Mary M. Petry, Block 35, Lot 7	64.78
R. Blanche Ruggles, Block 64, Lot 7	43.42
Elizabeth W. Miller, Block 113, Lot 8	36.09
Jane R. Gaunt, Block 113, Lot 19	35.65
Lydia J. Carll, Block 113, Lot 29	36.09
J. H. Fritchey, Block 44, Lots 10-12	64.20
Hammonton B. & L. Assn., Block 6, Lot 11	32.56
William Cook, Block 138, Lot 5	56.16
Letita Carney, Block 58, Lot 2	130.26
Forrest R. Henry, Block 108, Lot 20	419.68
John Loll, Block 57, Lot 5	42.34
Hannah C. Reeve, Block 42, Lot 5	34.73
Clara B. Magin, Block 42, Lot 1A	298.26
Jean P. De Roche, Block 39, Lot 3	17.37
Margaret McLallend, Block 72, Lot 7	47.64
Charles Goll, Block 96, Lot 7	22.06
D. P. Childs (Trustee), Block 54, Lot 4	29.56
John Stinsman, Block 95, Lot 13	22.06
Rudy Bertram, Block 6, Lot 10	32.56
Anthony Houck, Block 55, Lot 6	43.42
James E. Price, Block 38, Lot 2	39.10
Adolph Fulleman, Block 40, Lot 12	34.73
Dorothea D. Weil, Block 55, Lot 9	128.18
James R. Marston, Block 129, Lot 2	53.60
Annie Mercer, Block 50, Lot 9	37.46
Adolph Vietzen, Block 75, Lot 1	65.29
J. Clois Shivers, Block 61, Lot 23	200.65
Hildagard Koehler, Block 13, Lot 11	103.57
Jacob Miller, Block 129, Lot 7	107.18
James Burns, Block 113, Lot 36	36.09
John Gaunt, Block 55, Lot 2	43.42
Total	$2,381.58

[fol. 326] Amounts Due Prior to January 1st, 1934

Anthony De Rano, Block 50, Lot 2	$22.1
Mary M. Petry, Block 35, Lot 7	60.4
R. Blanche Ruggles, Block 64, Lot 7	40.9
Elizabeth W. Miller, Block 113, Lot 8	34.0
Jane R. Gaunt, Block 113, Lot 19	33.61
Lydia J. Carll, Block 113, Lot 29	34.05
J. H. Fritchey, Block 44, Lots 10-12	60.60
Hammonton B. & L. Assn., Block 6, Lot 11	31.92
William Cook, Block 138, Lot 5	55.06
Letita Carney, Block 58, Lot 2	122.88
Forrest R. Henry, Block 108, Lot 20	208.70
John G. Loll, Block 57, Lot 5	39.94
Hannah C. Reeve, Block 42, Lot 5	32.75
Clara B. Magin, Block 42, Lot 1A	224.89
Jean P. De Roche, Block 39, Lot 3	16.41
Margaret McLallend, Block 72, Lot 7	44.94
Charles Goll, Block 96, Lot 7	20.80
D. P. Childs (Trustee), Block 54, Lot 4	27.88
John Stinsman, Block 95, Lot 13	20.80
Rudy Bertram, Block 6, Lot 10	31.92
Anthony Houck, Block 55, Lot 6	40.96
James E. Price, Block 38, Lot 2	38.53
Adolph Fulleman, Block 40, Lot 12	32.75
Dorothea D. Weil, Block 55, Lot 9	121.62
James R. Marston, Block 129, Lot 2	52.54
Annie Mercer, Block 50, Lot 9	35.36
Adolph Vietzen, Block 75, Lot 1	61.57
J. Clois Shivers, Block 61, Lot 23	177.59
Hildagard Koehler, Block 13, Lot 11	97.69
Jacob Miller, Block 129, Lot 7	105.08
James Burns, Block 113, Lot 36	34.05
John Gaunt, Block 55, Lot 2	40.96
Total	$2,003.42
Total amount as per summary above	2,381.58
Payment of the Borough of Runnemede temporary improvement bonds Nos. 64 and 65, dated September 1, 1926, due September 1, 1932, rate 5¼%, denomination of $1,000 each	2,000.00
Balance to be paid in cash on or before April 10, 1935	$381.58

(2) Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bond No. 68 of the Borough of Runnemede, being a Temporary Improvement Bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00), with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

[fol. 327] Ruth Beidler, Owner, Block 121, Lot 12-13.
Evered & Corado, Owner, Block 76, Lot 7.
Eleanor Fessman, Owner, Block 113, Lot 2.
Citizens B. & L., Owner, Block 12, Lots 2-3.
Walter C. Moore, Owner, Block 41, Lot 12.
Isaac Cook, Jr., Owner, Block 51, Lot 13.
Rebecca H. Johns, Owner, Block 58, Lot 19a.
Wm. R. Cundy, Owner, Block 44, Lot 14.
Harry Harding, Owner, Block 59, Lot 8.
Woodlynne Natl. Bank, Owner, Block 59, Lot 4.
Oran A. Wood, Owner, Block 53, Lot 5.
Aaron Manukian, Owner, Block 44, Lot 15.
Joseph Roddis, Owner, Block 92, Lot 4.

For the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said bond; and further tender the payment of the balance of said taxes and municipal liens; together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said Bond No. 68 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bond

only, to wit, One Thousand Dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934 and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be is Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated April 22nd 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Ruth Beidler, Owner, Block 121, Lot 12-13

Balance Sidewalk	$17.90
Interest	1.08
Total	18.98

Taxes including the 1st quarter 1935 paid.

[fol. 328] Evered & Corado, Owner, Block 76, Lot 7

Balance Sidewalk	$117.60
2nd half 1933 Taxes	40.64
1934 "	92.14
1st Quarter 1935 Taxes	23.03
Interest	52.77
Total	326.14

Eleanor Fessman, Owner, Block 113, Lot 2

Balance Sidewalk	68.16
Interest	4.00
Total	72.16

Taxes including the 1st quarter 1935 paid.

Citizens B. & L. Assn., Owner, Block 12, Lot 2-3

1933 Taxes	110.20
1934 "	106.67
1st Quarter 1935 Taxes	26.66
Interest	18.39
Total	261.92

Walter C. Moore, Owner, Block 41, Lot 12

Balance Sidewalk	32.75
Interest	1.98
Total	34.73

Taxes including the 1st quarter 1935 paid.

Isaac Cook Jr., Owner, Block 51, Lot 13

Balance Sidewalk	22.10
Interest	1.32
Total	23.42

Taxes including the 1st quarter 1935

Rebecca H. Johns, Owner, Block 58, Lot 19a

Balance Sidewalk	40.96
Interest	2.46
Total	43.42

Taxes including the 1st quarter 1935 paid.

Wm. R. Cundy, Owner, Block 44, Lot 14

Balance Sidewalk	27.59
Interest	1.62
Total	29.21

Taxes including the 1st quarter 1935 paid

Harry Harding, Owner, Block 59, Lot 8

Balance Sidewalk	39.
Interest	2.
Total	42.

Taxes including the 1st quarter 1935 paid.

Woodlynne National Bank, Block 59, Lot 4

Balance Sidewalk	143.4
1931 Taxes	45.1
1932 "	94.7
1933 "	98.0
1934 "	94.8
1st quarter 1935 "	23.7
Interest	50.0
Total	549.8

[fol. 329]

Oran A. Wood, Block 53, Lot 5, Owner

Balance Sidewalk	$40.9
Interest	2.4
Total	43.4

Taxes including the 1st half 1935 paid.

Aaron Manukian, Owner, Block 44, Lot 15

Balance Sidewalk	32.7
Interest	1.9
Total	34.7

Taxes including the 1st half 1935 paid.

Joseph Roddis, Owner, Block 92, Lot 4

Balance Sidewalk	31.2
Interest	1.8
Total	33.0

Taxes including the 1st half 1935 paid.

Summary Total Amounts Due

Ruth Beidler, Block 121, Lot 12-13	$18.98
Evered & Corado, Block 76, Lot 7	326.14
Eleanor Fessman, Block 113, Lot 2	72.16
Citizens B. & L. Assn., Block 12, Lot 2-3	261.92
Walter C. Moore, Block 41, Lot 12	34.73
Isaac Cook Jr., Block 51, Lot 13	23.42
Rebecca H. Johns, Block 58, Lot 19a	43.42
Wm. R. Cundy, Block 44, Lot 14	29.21
Harry Harding, Block 59, Lot 8	42.34
Woodlynne Natl. Bank, Block 59, Lot 4	549.89
Oran A. Wood, Block 53, Lot 5	43.42
Aaron Manukian, Block 44, Lot 15	34.73
Joseph Roddis, Block 92, Lot 4	33.06
Total	1,513.42

Amounts Due Prior to January 1st, 1934

Ruth Beidler, Block 121, Lot 12-13	17.90
Evered & Corado, Block 76, Lot 7	158.20
Eleanor Fessman, Block 113, Lot 2	68.16
Citizens B. & L., Block 12, Lot 2-3	110.20
Walter C. Moore, Block 41, Lot 12	32.75
Isaac Cook Jr., Block 51, Lot 13	22.10
Rebecca H. Johns, Block 58, Lot 19a	40.96
Wm. R. Cundy, Block 44, Lot 14	27.59
Harry Harding, Block 59, Lot 8	39.94
Woodlynne Natl. Bank, Block 59, Lot 4	381.38
Oran A. Wood, Block 53, Lot 5	40.96
Aaron Manukian, Block 44, Lot 15	32.75
Joseph Roddis, Block 92, Lot 4	31.20
Total	$1,004.04

Total amount as per summary above	$1,513.42
Payment of the Borough of Runnemede Temporary improvement bond #68 dated September 1, 1926, due September 1, 1932, rate 5¼%. Denomination of $1,000	1,000.00
Balance to be paid in cash on or before April 22nd 1935	$513.42

[fol. 330] 6a. After a careful study of the items involved in the preceding schedules the following resolution was proposed.

6b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolutions set forth above.

6c. Be it Further Resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

6d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

6e. On motion of Commissioner Woolston, seconded by Commissioner Darby the foregoing resolution was adopted by an unanimous vote.

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[fol. 331] Meeting of April 12, 1935

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5. Letter from Joseph Kline, Secretary of the Runnemede People's Club inquiring whether there was some way whereby unemployed taxpayers could work out their back taxes was duly considered and it was the opinion of this Commission that this matter should be taken up with the Emergency Relief Administration through the Camden County Director.

6. The matter of a tax sale in the Borough of Runnemede was discussed and the following resolution was proposed by Mr. Backes and adopted by an unanimous vote:

6a. Resolved that this Commission recommend that the Collector of the Borough of Runnemede hold a tax sale

forthwith after July 1st and that the sale include all delinquent taxes, assessments and other charges subject to sale as at July 1st 1935 and

Co. Be it Further Resolved that the Collector take proper steps to make this an all inclusive sale and have it legal in all particulars.

7. Certified copies of resolutions adopted by the Borough Council under date of April 4th were filed with this Commission and directed to be spread in full in these minutes.

(1) Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bond No. 66 of the Borough of Runnemede, being a Temporary Improvement Bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00), with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Harry M. Johnston, Sr., Owner, Block 50, Lot 5.
Curt Taeschner, Owner, Block 137, Lots 22-23.
Curt Taeschner, Owner, Block 140, Lot 3.
Curt Taeschner, Owner, Block 143, Lot 11.
Fire Association of Phila., Owner, Block 45, Lot 12.
Luke Diegman, Owner, Block 69, Lot 6.
Charles E. Watson, Owner, Block 63, Lot 4.
Fred. W. Harvey, Owner, Block 93, Lot 9.
Max Schaefer, Owner, Block 64, Lot 20.
Oscar Joyce, Owner, Block 137, Lot 18.
Albert W. Spencer, Owner, Block 64, Lot 17.
Harry Wimley, Owner, Block 129, Lot 8.

For the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said bond; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon [fol. 332] all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and di-

rected to accept from the said owners said bond No. 66 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932 interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bond only, to wit, One Thousand Dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated April 4th 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Harry M. Johnston, Sr., Owner, Block 50, Lot 5

Balance 1933 Taxes	$90.45
1934 Taxes	102.61
1st Quarter 1935 Taxes	25.65
Balance Sidewalk	55.25
Interest	15.00
Total	$288.96

Curt Taeschner, Block 137, Lots 22-23, Owner, Block 140, Lot 3, Block 143, Lot 11

Balance Sidewalk	183.90
Interest	3.68
Total	187.58

(Taxes including first half 1935 paid.)

Fire Association of Philadelphia, Owner, Block 45, Lot 12

Balance Sidewalk	32.77
Interest	1.98
Total	34.75

(Taxes including first half 1935 paid.)

Luke Diegman, Owner, Block 69, Lot 6

Balance Sidewalk	45.10
Interest	2.70
Total	47.80

(Taxes including first half 1935 paid.)

[fol. 333] Charles E. Watson, Owner, Block 63, Lot 4

Balance Sidewalk	$40.96
Interest	2.46
Total	43.42

(Taxes including first half 1935 paid.)

Fred W. Harvey, Owner, Block 93, Lot 9

Balance Sidewalk	20.80
Interest	1.26
Total	22.06

(Taxes including first half 1935 paid.)

Max Schaefer, Owner, Block 64, Lot 20

Balance Sidewalk	41.60
Interest	2.52
Total	44.12

(Taxes including first half 1935 paid.)

Oscar Joyce, Owner, Block 137, Lots 6 & 18

Balance Sidewalk	41.09
Interest	.82
Total	41.91

(Taxes including first quarter 1935 paid.)

Albert W. Spencer, Owner, Block 64, Lot 17

Balance Sidewalk	8
Interest	
Total	8

(Taxes including first half 1935 paid.)

Harry Wimley, Owner, Block 129, Lot 8

Balance Sidewalk	199
1931 Taxes	31
1932 Taxes	78
1933 Taxes	82
1934 Taxes	79
1st Quarter 1935 Taxes	19
Interest	33
Total	523

Summary—Total Amounts Due

Harry M. Johnston, Sr., Block 50, Lot 5	$288.9
Curt Taeschner, Block 137, Lots 22-23 Curt Taeschner, Block 140, Lot 3 Curt Taeschner, Block 143, Lot 11	187
Fire Association of Phila., Block 45, Lot 12	34
Luke Diegman, Block 69, Lot 6	47
Charles E. Watson, Block 63, Lot 4	43
Fred W. Harvey, Block 93, Lot 9	22
Max Schaefer, Block 64, Lot 20	44
Oscar Joyce, Block 137, Lot 18	41
Albert W. Spencer, Block 64, Lot 17	88
Harry Wimley, Block 129, Lot 8	523
Total	$1,322

[fol. 334] Amounts Due Prior to January 1st, 1934

Harry M. Johnston, Sr., Block 50, Lot 5	$145
Curt Taeschner, Block 137, Lot 22-23 Curt Taeschner, Block 140, Lot 3 Curt Taeschner, Block 143, Lot 11	183
Fire Association of Phila., Block 45, Lot 12	32
Luke Diegman, Block 69, Lot 6	45

Charles E. Watson, Block 63, Lot 4	40.96
Fred W. Harvey, Block 93, Lot 9	20.80
Max Schaefer, Block 64, Lot 20	41.60
Oscar Joyce, Block 137, Lot 18	41.09
Albert W. Spencer, Block 64, Lot 17	83.20
Harry Wimley, Block 129, Lot 8	390.73
Total	$1,025.85
Total amount as per summary above	1,322.35
Payment of the Borough of Runnemede temporary improvement #66 dated September 1, 1926, due September 1, 1932, rate 5¼%, denomination of $1000.00	1,000.00
Balance to be paid in cash on or before April 15, 1935	$322.35

(2) Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender bond No. 61 of the Borough of Runnemede; being a temporary improvement bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of one thousand dollars ($1,000.00), with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Mary Cochran, Owner, Block 49, Lot 13.
Mary Cochran, Owner, Block 105, Lot 6.
Horace F. Nixon, Owner, Block 121, Lot 7.
Nellie Milligan, Owner, Block 93, Lot 11.
Arthur Partridge, Owner, Block 108, Lot 21.
George C. Harvey, Owner, Block 93, Lot 8.
James De Rano, Owner, Block 60, Lots 4 & 23.
Frank Lodge, Owner, Block 119, Lot 7.
Frank T. Lodge, Owner, Block 95, Lot 3.
John B. Johnson, Owner, Block 112, Lot 1.
Louise F. Whealton, Owner, Block 58, Lot 16.

for the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said bond; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and includ-

ing the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash.

Now, therefore, be it resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bond No. 61 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest due thereon, on account of the prin-
[fol. 335] cipal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bond only, to wit, One Thousand Dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received: and

Be it further resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated: April 4th, 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey.

Mary Cochran, Owner, Block 49, Lot 13

Balance Sidewalk	$35.98
1st Quarter & 2nd 1935 Taxes	6.50
Interest	.72
Total	43.20

(Taxes prior years paid.)

Mary Cochran, Owner, Block 105, Lot 6

Balance Sidewalk	22.10
1st & 2nd Quarter 1935 Taxes	12.86
Interest	1.32
Total	36.28

(Taxes prior years paid.)

Horace F. Nixon, Owner, Block 121, Lot 7

Balance Sidewalk	54.51
1st Quarter 1935 Taxes	21.47
Interest	7.15
Total	83.13

(Taxes prior years paid.)

Nellie Milligan, Owner, Block 93, Lot 11

Balance Sidewalk	20.80
Interest	1.26
Total	22.06

(Taxes including 1st quarter 1935 paid.)

Arthur Partridge, Owner, Block 108, Lot 21

Balance Sidewalk	46.32
Interest	2.30
Total	48.62

(Taxes including 1st quarter 1935 paid.)

[Vol. 336] George C. Harvey, Owner, Block 93, Lot 8

Balance Sidewalk	$20.80
Interest	1.05
Total	21.85

(Taxes including 1st quarter 1935 paid)

James De Rano, Owner, Block 60, Lots 4 & 23

Balance Sidewalk	145.6
Interest	7.3
Total	152.9

(Taxes including 1st quarter 1935 paid.)

Frank Lodge, Owner, Block 119, Lot 7

Balance Sidewalk	132.60
1931 Taxes	96.60
1932 Taxes	99.28
1933 Taxes	103.48
1934 Taxes	47.44
1935 Taxes (1st Quarter)	25.04
Interest	108.76
Total	613.20

Frank T. Lodge, Owner, Block 95, Lot 3

Balance Sidewalk	20.80
1st Quarter 1935 Taxes	2.57
Interest	1.29
Total	24.66

(Taxes prior years paid)

John B. Johnson, Owner, Block 112, Lot 1

Balance Sidewalk	171.51
1st Quarter 1935 Taxes	31.16
Interest	19.20
Total	221.87

(Taxes prior years paid.)

Louise F. Whealton, Owner, Block 58, Lot 16

Balance Sidewalk	$54.62
Interest	7.12
Total	61.74

(Taxes including 1st quarter 1935 paid.)

Summary—Total Amounts Due

Mary Cochran, Block 49, Lot 13	$43.20
Mary Cochran, Block 105, Lot 6	36.28
Horace F. Nixon, Block 121, Lot 7	83.13
Nellie Milligan, Block 93, Lot 11	22.06
Arthur Partridge, Block 108, Lot 21	48.62
George C. Harvey, Block 93, lot 8	21.85
James De Rano, Block 60, Lot 4 & 23	152.90
Frank Lodge, Block 119, Lot 7	613.20
Frank T. Lodge, Block 95, Lot 3	24.66
John B. Johnson, Block 112, Lot 1	221.87
Louise F. Whealton, Block 58, Lot 16	61.74
	1,329.51

[fols. 337-339] Amounts Due Prior to January 1st, 1934

Mary Cochran, Block 49, Lot 13	$35.98
Mary Cochran, Block 105, Lot 6	22.10
Horace F. Nixon, Block 121, Lot 7	54.51
Nellie Milligan, Block 93, Lot 11	20.80
Arthur Partridge, Block 108, Lot 21	46.32
George C. Harvey, Block 93, Lot 8	20.80
James De Rano, Block 60, Lots 4 & 23	145.60
Frank Lodge, Block 119, Lot 7	431.96
Frank T. Lodge, Block 95, Lot 3	20.80
John B. Johnson, Block 112, Lot 1	171.51
Louise F. Whealton, Block 58, Lot 16	54.62
Total	1,025.00
Total amount as per summary above	1,329.51
Payment of the Borough of Runnemede Temporary Improvement Bond #61, dated September 1st, 1926, due September 1st, 1932, rate 5½% denomination of $1,000	1,000.00
Balance to be paid in cash on or before March 28th, 1935	329.51

a. After a careful study of the items involved in the preceding schedules the following resolution was proposed.

b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolutions set forth above.

7c. Be it further resolved that such assent and approval is granted with the proviso that the payments received in satisfaction of the several individual items be made within fifteen days from the adoption of this resolution; with a further proviso that any cash payments received from taxes of 1933 and prior years be held in a reserve fund and said moneys after being deposited to be separately accounted for in said reserve fund and that any cash payments on account of the principal of any assessments included in said compromise be deposited in the trust accounts to be held therein.

7d. Be it further resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the properties hereinabove named.

7e. On motion of Commissioner Backes, seconded by Commissioner Woolston the foregoing resolution was adopted by an unanimous vote.

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[fol. 340] Meeting of March 22, 1935

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3. There was noted for the record receipt of certified copy of minutes of meeting of Borough Council held on March 8, 1935.

3a. Chairman Darby read a resolution from the above minutes regarding the issuance of a tax revenue note for $5,507.01 for the purpose of meeting requirements of the Board of Education, directing attention to the fact that such action required action on the part of this Commission, therefore, the Secretary was directed to take this matter up with the Borough officials.

4. The Chairman reported that he had advised the Secretary to the Camden County Board of Taxation with respect to the amount of the 1935 budget of the Borough directing the Secretary's attention to the fact that the budget approved by this Commission should be considered as the official budget.

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[fol. 341] Meeting of March 15, 1935

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5. Chairman Darby reported a lengthy conference with Solicitor Varbalow, Mayor May and Collector Spencer at which time, the proposed budget was discussed in detail. The results of this conference were summarized in a letter from the Solicitor dated March 14th which was read by the Chairman and directed to be filed after acknowledgment.

5a. The several items in the budget heretofore filed by the Borough which were at variance with the budget approved by this Commission were reviewed and the Commission by motion duly made seconded and carried directed that the budget agreed upon at the conference hereinabove referred to be spread in full in these minutes, said budget to constitute the official budget of the Borough for the year 1935; and that the State Auditor be directed to issue an order directing that the budget be changed in accordance with the budget approved by this Commission.

Resources:

Anticipated Revenues	1935
Surplus Revenue Appropriated	$3,662.22
Miscellaneous Revenues Anticipated:	
Licenses and Permits	1,900.00
Interest on Delinquent Taxes	4,000.00
Interest on Assessments	2,000.00
Franchise Tax	4,400.00
Gross Receipts Tax	700.00
Tax Searches	150.00
Return of Foreclosure Costs	2,000.00
Refund on Water Mains	168.00
Total Miscellaneous Revenues Anticipated	15,318.00
Amount to be Raised by Taxation	31,185.03
Total Resources	$50,165.25

Appropriations:

General Government:	
Administrative and Executive	1,580.00
Assessment and Collection of Taxes	2,450.00
Department of Finance	90.00
Expenses of Tax Sale and Foreclosures	4,000.00
Municipal Finance Commission and Audit	1,700.00
[fol. 342] Preservation of life and property:	
Police	$3,620.00
Fire	5,160.00
Health and charities:	
Health	223.00
School nurse	334.30
Poor	100.00
Poor-emergency relief	600.00
Streets, highways, sewers:	
Roads	3,340.00
Lighting of streets	4,000.00
Garbage	150.00
Elections:	200.00
Debt service:	
Payment of serial bonds	2,000.00
Payment of emergency notes-bonds	3,700.00
Interest on serial bonds	2,747.50
Interest on assessment bonds	7,980.00
Interest on emergency notes-bonds	1,350.00
3% Apprn. temporary indebtedness	1,076.23
Contingent	100.00
Overexpenditures 1933	740.73
Deficit miscellaneous revenues antic. 1933	163.03
Remitted taxes more than 3 years in arrears	1,083.79
Remitted assessments	771.97
Deficit unexpended balances 1933	902.70
Total appropriations	$50,165.25

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[fol. 343] Meeting of March 1, 1935

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7. Schedule of indebtedness with list of defaults and the holders of bonds was filed and directed to be noted in the records.

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9. Certified copy of a resolution adopted by the borough council under date of February 21st pertaining to certain tax settlements in connection with property of Caroline M. Golden, mortgagee, et als was considered and assent denied until all taxes are brought up to date.

10. Communication from Judge Varbalow bearing date of February 21st with respect to the settlement of taxes by the use of bonds was brought up for consideration and referred to the chairman for answer.

11. Communication from Judge Varbalow bearing date of February 18th accompanied by copy of the budget adopted by the borough for the year 1935 was duly considered. The several changes in the budget adopted by the borough council were carefully considered and the following resolution was adopted by an unanimous vote:

11a. Resolved that the municipal finance commission adhere to the original budget as approved by this commission; and the secretary be instructed to advse the borough to this effect.

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Meeting of February 8, 1935

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[fol. 344] 5. Question was raised as to whether the Borough might accept past due school bonds in the payment of taxes with the understanding that such bonds would be turned over to the Board of Education and applied against the amount of local school taxes owing.

5a. It was regularly moved, seconded and carried that past due school bonds might be accepted in the payment of delinquent taxes with the condition that the Board of Education will accept such bonds at par in satisfaction of local school taxes payable, with the understanding that the Borough secure a preliminary assent in writing from the Board of Education to such procedure.

6. The budget of the Borough for the year 1935 was now taken up and considered in detail after which the following resolution was proposed and adopted by an unanimous vote:

6a. Resolved that the Municipal Finance Commission prove the following budget of the Borough of Runnem for the year 1935 and that said budget be spread in ful these minutes.

Resources:

Anticipated Revenues	1935
Surplus Revenue Appropriated	$3,662.
Miscellaneous Revenues Anticipated:	
Licenses and Permits	750.(
Interest on Delinquent Taxes	3,000.(
Interest on Assessments	2,000.0
Franchise Tax	4,400.0
Gross Receipts Tax	700.0(
Poll Taxes	
Tax Searches	150.00
Return of Foreclosure Costs	1,000.00
Refund on Water Mains	168.00
Total Miscellaneous Revenues Anticipated	$12,168.00
Amount to be Raised by Taxation	32,440.03
Total Resources	$48,270.23

[fol. 345]. Appropriations	1935
General Government:	
Administrative and Executive	$1,580.00
Assessment and Collection of Taxes	2,450.00
Department of Finance	90.00
Expenses of Tax Sale and Foreclosures	2,000.00
Municipal Finance Commission and Audit	1,700.00
Preservation of Life and Property:	
Police	3,620.00
Traffic Control	200.00
Fire	4,540.00
Health and Charities:	
Health	225.00
School Nurse	334.30
Poor	100.00
Poor—Emergency Relief	600.00

Streets, Highways, Sewers:	
Roads	3,340.00
Lighting of Streets	4,000.00
Garbage	150.00
Elections	200.00
Debt Service:	
Payment of Serial Bonds	2,000.00
Payment of Emergency Notes—Bonds	3,700.00
Interest on Serial Bonds	2,747.50
Interest on Assessment Bonds	8,505.00
Interest on Emergency Notes—Bonds	1,350.00
3% Apprn. Temporary Indebtedness	1,076.23
Contingent	100.00
Overexpenditures 1933	740.73
Deficit Miscellaneous Revenues Antic., 1933	163.03
Remitted Taxes More than 3 Years in Arrears	1,083.79
Remitted Assessments	771.97
Deficit Unexpended Balances 1933	902.70
Total Appropriations	$48,270.25

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[fol. 346] Meeting of January 25, 1935

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4. Certified copies of resolutions adopted by the Township Committee under dates of December 27, 1934, January 10, 1935 and January 17, 1935 respectively were carefully considered by the Municipal Finance Commission and are detailed below as A, B and C.

A. Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender bonds Nos. 52 and 53 of the Borough of Runnemede, being Temporary Improvement Bonds, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

1. Frederick G. Thorn, Owner, Block 108, Lot 12.

2. Grace E. McKenna, Owner, Block 42, Lot 2.

3. Alfred P. Page, Owner, Block 92, Lot 19.

4. Barrington Bldg. & Loan Ass'n, Owner, Block 58. Lot 9.

5. Estate of Thomas Harkins, Owner, Block 113, Lot 4.

6. Atlas Beneficial Loan Ass'n, Owner, Block 35, Lot 2.

For the purpose of taking credit therefor in the sum of Two Thousand Dollars, being the principal of the said bonds; and, further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said Bonds Nos. 52 and 53 [fol. 347] of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, a total of Two Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of the bonds only, to wit, Two Thousand ($2,000) provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash, and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Dated December 27, 1934.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden, New Jersey

1. Frederick G. Thorn, Owner, Block 108, Lot 12:

1930 Taxes	$8.54
Unpaid Balance, sidewalk assessment	69.46
Interest and Costs to date of tax sale, 11/5/31	6.72
1931 Taxes	33.46
1932 Taxes	32.76
1933 Taxes	34.44
Amount due prior to Jan. 1, 1934	$185.38
1934 Taxes	33.33
Interest to Date	41.51
Total due	$260.22

2. Grace E. McKenna. Owner, Block 42, Lot 2:

Unpaid Balance, sidewalk assessment	32.76
Amount due prior to Jan. 1, 1934	$32.76
Interest to date	1.49
Total due (all taxes paid)	$34.25

3. Alfred P. Page, Owner, Block 92, Lot 19:

1930 Taxes	$88.54
Unpaid Balance, sidewalk assessment	72.80
Interest and Costs to date of tax sale, 11/5/31	23.49
1932 Taxes	97.11
1933 Taxes	100.80
Amount due prior to Jan. 1, 1934	$382.74
1934 Taxes	97.56
Interest to date	79.91
Total due	$560.21

[fol. 348] 4. Barrington Bldg. & Loan Ass'n, Owner, Block 58, Lot 9:

1928 Taxes, Balance	$49.64
1929 Taxes	90.90
1930 Taxes	88.92
Unpaid Balance, sidewalk assessment	110.63
Interest and costs to date of tax sale, 11/5/31	64.10
1931 Taxes	99.43
1932 Taxes	91.59
1933 Taxes	93.80
Amount due prior to Jan. 1, 1934	$688.91
1934 Taxes	90.79
Interest to date	165.34
Total due	$945.04

5. Estate of Thomas Harkins, Owner, Block 113, Lot 4:

Unpaid Balance, sidewalk assessment	372.16
Interest and costs to date of tax sale, 11/5/31	5.81
Amount due prior to Jan. 1,.1934	$377.97
1934 Taxes (3rd & 4th Quarters only, all other taxes paid)	78.60
Interest to date	114.03
Total Due	$570.60

6. Atlas Beneficial Loan Ass'n, Owner, Block 35, Lot 2:

Unpaid Balance, sidewalk assessment	$120.86
Interest and Costs to date of tax sale, 11/5/31	23.14
1930 Taxes, Balance	15.25
1931 Taxes	88.43
1932 Taxes	86.58
1933 Taxes (paid)	
Amount due prior to Jan. 1, 1934	$334.26
1934 Taxes (3rd and 4th Quarters only, 1st & 2nd Quarters having been paid)	41.92
Interest to date	77.23
Total due	$453.41

S mary

Total Amounts Due

Frederick G. Thorn, Block 108, Lot 12	$260.22
Grace E. McKenna, Block 42, Lot 2	34.25
Alfred P. Page, Block 92, Lot 19	560.21
Barrington Bldg. & Loan Ass'n, Block 58, Lot 9	945.04
Estate of Thomas Harkins, Block 113, Lot 4	570.60
Atlas Beneficial Loan Ass'n, Block 35, Lot 2	453.41
	$2,823.73

Amounts Due Prior to Jan. 1, 1934

Frederick G. Thorn, Block 108, Lot 12	185.38
Grace E. McKenna, Block 42, Lot 2	32.76
Alfred P. Page, Block 92, Lot 19	382.74
Barrington B. & L. Ass'n, Block 58, Lot 9	688.91
Est. of Thomas Harkins, Block 113, Lot 4	377.97
Atlas Beneficial Loan An., Block 35, Lot 2	334.26
	$2,002.02

[fol. 349] Method of Payment

Total amount due, as per summary above	$2,823.73
Payment by Borough of Runnemede Temporary Improvement Bonds Nos. 52 and 53, dated 9/1/26, due 9/1/32, rate 5¼%, denomination $1,000 each (Taxes and assessments due prior to 1/1/34 being $2,002.02, as above	2,000.00
Balance to be paid in cash on or before Jan. —, 1935	$823.73

B. Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender Bond No. 51 of the Borough of Runnemede, being a Temporary Improvement Bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00), with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Hedding Building and Loan Association, Owner, Block 94, Lot 10.

Amelia & Rebecca Jennings, Owners, Block 61, Lot 8.

Camden Optional Building and Loan Association, Owner, Block 9, Lot 5.

for the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said bond; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said Bond No. 51 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bond only, to wit, One Thousand Dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated January 10, 1935.

[fol. 350] Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Haddington Building and Loan Association, Owner, Block 94, Lot 10

Balance—Sidewalk Assessment Amount due prior to Jan. 1, 1934	$145.60
1930 Taxes	84.27
Interest and cost to date of sale 11/5/31	34.97
1931 Taxes	90.82
1932 Taxes	86.58
1933 Taxes	96.60
1934 Taxes	93.50
Interest	121.80
Total	$754.14

Amelia & Rebecca Jennings, Owners, Block 61, Lot 8

Balance—Sidewalk assessment amount Due prior to Jan. 1, 1934	$68.28
1933 Taxes	61.60
1934 Taxes	93.50
Interest	19.64
Total	$243.02

Camden Optional Building and Loan Association, Owner, Block 9, Lot 5

Balance—Sidewalk Assessment Amount Due Prior to Jan. 1, 1934	78.86
1931 Taxes	103.77
1932 Taxes	101.62
1933 Taxes	99.00
1934 Taxes	95.85
Interest	78.82
Total	$557.92

Summary—Total Amounts Due

Heddington Building and Loan Association, Block 94, Lot 10	$754.14
Amelia & Rebecca Jennings, Block 61, Lot 8	243.02
Camden Optional Building and Loan Association, Block 9, Lot 5	557.92
Total to be paid	$1,555.08

[fol. 351] Amounts Due Prior to Jan. 1, 1934

Heddington Building and Loan Association, Block 94, Lot 10	$538.84
Amelia & Rebecca Jennings, Block 61, Lot 8	129.88
Camden Optional Building and Loan, Association, Block 9, Lot 5	383.25
Total	$1,051.97

Method of Payment

Total amount as per Summary above	1,555.08
Payment of Borough of Runnemede, Temporary Improvement Bond #51, dated 9/1/26, due 9/1/32, Rate 5¼% Denomination $1,000. (Taxes and Assessments due prior to 1/1/34 being $1,051.97 as above)	1,000.00
Balance to be paid in cash on or before January 15th, 1935	$555.08

C. Whereas, certain taxpayers of the Borough of Runnemede, as hereinafter designated, tender Bond No. 55 of the Borough of Runnemede, being a Temporary Improvement bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars ($1,000.00), with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

Kazimier-Pulaski Building and Loan Association, Owner, Block 137, Lot 1.
Hedding Building and Loan Association, Owner, Block 141, Lot 10.
Moorestown Stores, Inc., Owner, Block 46, Lot 10.
Amelia B. Jennings, Owner, Block 63, Lot 6.
Big Timber Building and Loan Association, Owner, Block 9, Lot 18.

For the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said Bond; and further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

[fol. 352] Now, therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bond No. 55 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of said bond only, to wit, One Thousand Dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bond, shall deliver the same to the Borough Treasurer.

Dated January 17, 1935.

Statement of Taxes and Assessments Due on Properties Situate in the Borough of Runnemede, Camden County, New Jersey

Lazimier-Pulaski Building and Loan Association, Owner,
Block 137, Lot 1

1932 Taxes	$77.99
1933 Taxes	80.64
1934 Taxes	75.34
Interest	27.25
Total	$261.22

Hedding Building and Loan Association, Owner, Block 141 Lot 10

1929-1930 Taxes	155.5
Interest and cost to date of sale	24.3
1931 Taxes	86.0
1932 Taxes	74.8
1933 Taxes	77.0
1934 Taxes	74.5
Interest	93.8
Total	$586.1

Moorestown Stores, Inc. (Owner) Block 46, Lot 10

Second Half 1933 Taxes	73.2
1934 Taxes	41.7
Interest	12.5
Total	$227.4

[fol. 353] Amelia B. Jennings (Owner), Block 63, Lot 6

Balance of 1933 Taxes	$67.4
Balance Sidewalk	63.5
1934 Taxes	89.4
Interest	23.9
Total	$244.2

Big Timber Building and Loan Association, Owner. Block 9, Lot 18

Balance Sidewalk	66.9
1932 Taxes	106.3
1933 Taxes	110.2
1934 Taxes	106.6
1st Quarter 1935 Taxes	26.6
Interest	48.4
Total	$465.2

Summary—Total Amounts Due

Kazimier-Pulaski Building and Loan Association, Block 137, Lot 1	$261.2
Hedding Building and Loan Association, Block 141, Lot 10	586.1

Moorestown Stores, Inc., Block 45, Lot 10	227.49
Amelia B. Jennings, Block 63, Lot 6	244.23
Big Timber Building and Loan Association, Block 9, Lot 18	465.24
Total to be paid	$1,784.35

Amounts Due Prior to January 1, 1934

Kazimier-Pulaski Building and Loan Association, Block 137, Lot 1	158.63
Hedding Building and Loan Association, Block 141, Lot 10	417.78
Moorestown Stores, Inc., Block 46, Lot 10	73.22
Amelia B. Jennings, Block 63, Lot 6	130.90
Big Timber Building and Loan Association, Block 9, Lot 18	283.46
Total	$1,063.99

[fol. 354] Total amount as per summary above	$1,784.35
Payment of Borough of Runnemede Temporary Improvement Bond #55, Dated September 1, 1926, Due September 1, 1932, Rate 5¼%, Denomination $1,000, (Taxes and Assessments Due Prior to January 1st, 1934, Being $1,063.99)	1,000.00
Balance to be paid in cash on or before January 31st, 1935	$784.35

4a. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

4b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolutions set forth above;

4c. Be it further resolved that such assent and approval is granted with the proviso that the cash payments received in satisfaction of the items set forth above be made within fifteen days from the date of this meeting with the proviso that the cash derived from taxes of 1933 and prior years be held in a reserve fund and said taxes after being deposited to be separately accounted for in said reserve fund.

4d. Be it further resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the property hereinabove named.

4e. On motion of Commissioner Darby, seconded by Commissioner Woolston the foregoing resolution was adopted by an unanimous vote.

5. Letter from Borough Clerk Gaunt with respect to property standing in the name of the Atlas Beneficial Loan Association which matter was recently referred to Auditor Gary was considered along with Mr. Gary's report thereon. It was the opinion of this Commission that no objections would be raised if the Borough Council assented to the suggestions of Mr. Gary, namely that the Building and Loan Association be allowed a reasonable time to make repairs, etc.

6. At the conclusion of the regular meeting, Judge Varbalow, Borough Solicitor; Collector Spencer and Dr. Fessman appeared before the Commission with respect to the 1935 Borough budget.

6a. Commissioners Darby, Martin and Backes were present together with Messrs. Gary and Woolston.

6b. There was a lengthy discussion of the proposed budget with the result that the Commission took a short adjournment and organized an executive session. Following the executive session, the Runnemede delegation was recalled and the budget was discussed in further detail.

6c. The matter of using surplus revenue was considered at some length and it was pointed out that there was no possibility of the Borough realizing upon any surplus for the purpose of reducing local purpose taxes. It was also shown that the use of surplus beyond the actual amount of deferred charges which in this case are items which do not require an immediate cash outlay was impractical and dangerous. It would simply mean that the Borough would finish the year 1935 in a less favorable financial position than at the present time.

[fols. 355-356] 6d. After further discussion, a budget calling for the use of surplus revenue in the amount of $3,662.22; miscellaneous revenues anticipated $12,168.00 and local purpose taxes of $32,440.03 was tentatively approved such anticipations being offset by total appropriations of $48,270.25.

* * * * * * *

[fol. 357] Meeting of January 11, 1935

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6. Certified copy of a resolution adopted under date of December 13th as more particularly detailed below was considered:

Whereas, certain taxpayers of the Borough of Runnemede as hereinafter designated, tender Bonds Nos. 5, 46 and 47 of the Borough of Runnemede, being Temporary Improvement Bonds, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, with interest thereon, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively on the following:

1. Hunter and Gallagani, Owners,
   (a) Block 98, Lot 9,
   (b) Block 52, Lot 15,
   (c) Block 52, Lots 7 & 8,
   (d) Block 98, Lot 2.
2. Bernard Steeg, Owner, Block 91, Lot 8.
3. William Wittmer, Inc., Owner, Block 52, Lot 1.
4. Anna F. Elwell, Owner, Block 76, Lot 7-A.
5. Anna Sloan, Owner, Block 48, Lot 1.

For the purpose of taking credit therefor in the sum of Three Thousand Dollars, being the principal of the said bonds; and, further tender the payment of the balance of said taxes and municipal liens, together with all taxes and [fol. 358] municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said owners said bonds Nos. 5, 46 and 4 of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1, 1926, due September 1st 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, a total of Three Thousand Dollars, with interest due thereon, on account of the principal of taxes and municipal liens and assessments upon premises assessed in the names of the owners hereinabove recited and as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of the bonds only, to wit, Three Thousand Dollars ($3,000.) provided that the balance of the said municipal liens and taxes together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Dated December 13, 1934.

Statement of Taxes and Assessments Due on Properties Situated in the Borough of Runnemede, Camden County New Jersey

1. Hunter and Gallagani, Owners:

(a) Block 98, Lot 9:

Balance—Sidewalk Assessment amount due prior to Jan. 1, 1934	$221.4
1934 Taxes	33.4
Interest	34.9
Total	$289.8

(b) Block 52, Lot 15:

Balance—Sidewalk Assessment amount due prior to Jan. 1, 1934	$172.35
1934 Taxes	55.55
Interest	27.97
Total	$255.87

(c) Block 52, Lots 7 & 8:

1933 Taxes, amount due prior to Jan. 1, 1934	1,027.60
1934 Taxes	1,009.12
Interest	139.51
Total	2,176.23

[fol. 359] (d) Block 98, Lot 2:

Balance—Sidewalk assessment, amount due prior to Jan. 1, 1934	$124.80
1934 Taxes	38.48
Interest	20.21
	$183.49

2. Bernard Steeg, Owner, Block 91, Lot 8:

Balance, sidewalk assessment	$135.20
1933 Taxes	163.40
Amount due prior to Jan. 1, 1934	298.60
Interest	59.33
1934 Taxes	Paid
	$357.93

3. William Wittmer, Inc., Owner, Block 52, Lot 1:

1932 Taxes, 2nd Half	$158.00
1933 Taxes	225.00
Amount due prior to Jan. 1, 1934	$383.00
1934 Taxes	217.80
Interest	41.50
	$642.30

4. Anna F. Elwell, Owner, Block 76, Lot 7-A:

1932 Taxes, Balance	$11.98
Balance, sidewalk assessment	143.43
Amount due prior to Jan. 1, 1934	$155.41
1934 Taxes, 2nd half	48.47
(1st and 2nd quarters paid)	
Interest	8.04
	$211.92

5. Anna Sloan, Owner, Block 48, Lot 1:

Balance, sidewalk assessment	$423.84
Interest and costs to date of tax sale, 11/5/31	80.32
1931 Taxes	64.53
1932 "	63.18
1933 "	70.00
Amount due prior to Jan. 1, 1934	$701.87
1934 Taxes	67.75
Interest	162.73
	$932.35

Summary—Total Amounts Due

Hunter & Gallagani, Block 98, Lot 9	$289.87
" " " 52, " 15	255.87
" " " 52, " 7 & 8	2,176.23
" " " 98, " 2	183.49
	$2,905.46
Bernard Steeg, Block 91, Lot 8	357.93
William Wittmer, Inc., Block 52, Lot 1	642.30
Anna F. Elwell, Block 76, Lot 7-A	211.92
Anna Sloan, Block 48, Lot 1	932.35
Total to be paid	$5,049.96

[fol. 360] Amounts due prior to Jan. 1, 1934:

Hunter & Gallagani, Block 98, Lot 9	$221.45
" " " 52, " 15	172.35
" " " 52, " 7 & 8	1,027.60
" " " 98, " 2	124.80
	$1,546.20
Bernard Steeg, Block 91, Lot 8	298.60
William Wittmer, Inc., Block 52, Lot 1	383.00
Anna F. Elwell, Block 76, Lot 7-A	155.41
Anna Sloan, Block 48, Lot 1	701.87
	$3,085.08

Method of Payment

Total amount, as per Summary above	$5,049.96
Payment by Borough of Runnemede, Temporary Improvement Bonds, #5, #46, and #47, dated 9/1/26, due 9/1/32, rate 5¼%, Denomination $1,000 each, (Taxes and assessments due prior to 1/1/34 being $3,085.08, as above)	$3,000.00
Balance to be paid in cash on or before December 27th, 1934	$2,049.96

6a. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

6b. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above;

6c. Be it Further Resolved that such assent and approval is granted with the proviso that the cash payments received in satisfaction of the items set forth above be made within fifteen days from the date of this meeting with the proviso that the cash derived from taxes of 1933 and prior years be held in a reserve fund and said taxes after being deposited to be separately accounted for in said reserve fund.

6d. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and

upon further condition that the payments referred to rep resent all of the municipal liens or other charges now du against the property hereinabove named.

6e. On motion of Commissioner Darby, seconded by Com missioner Woolston the foregoing resolution was adopte by an unanimous vote.

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[fol. 361] Meeting of December 21, 1934

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5. Chairman Darby reported a visit of Borough Attorne Rothermel and Councilman Boyd with respect to the pro posed leasing of the Runnemede Theatre. He reporte also that Mr. Falcey acting for the Theatre people als conferred with them later. He advised that the Borough had executed a lease in favor of the parties desiring to ren the theatre and that this lease was filed with him as Chair man of the Municipal Finance Commission to be held in escrow until executed by the party of the second part and until they produce a bill of sale for the equipment which is to be installed by the party of the second part. As a part of the lease was annexed a schedule of the repairs required by the lessee and in addition a schedule of the properties of the Borough in the Theatre. The lease ap peared to be generally satisfactory to the Commission in that it met the several objections which had been raised to section five of the resolution adopted by the Borough Council.

6. Chairman Darby reported the receipt of a telephone message from Mr. Rothermel this morning to the effect that at a meeting held last night or early this morning the Bor ough passed a resolution to the effect "that all negotiations with respect to the threatre were off". He further stated that Mr. Rothermel was endeavoring to contact the Bor ough Clerk and have him notify all parties that unless this matter was closed up in, say, five or seven days the nego tiations would be discontinued insofar as Mr. Falcey and his principals were concerned.

. . . . . .

[fols. 362-363] Meeting of December 14, 1934

. . . . . .

3. The following bill was approved and directed to be certified to the Borough Council for payment:

For Services rendered by the Municipal Finance Commission covering the months of June to November inclusive said bill being rendered in accordance with the plan approved by the Municipal Finance Commission at its meeting of July 13, 1934, 6 months @ $100.00	$600.00

. . . . . .

9. Chairman Darby reported a communication from the incoming Mayor of the Borough in which he discussed various matters pertaining to administration, etc. The Chairman reported that he had answered this communication in detail and had pointed out the reason for many of the actions to which exceptions were taken by the incoming Mayor.

10. Some discussion followed with respect to the proposed lease on the moving picture theatre and it was reported that this matter seemed to be at a stand-still at the present time. Chairman Darby called attention to a communication which he had addressed to Borough Attorney Rothermel noting the objection on the part of this Commission to section five of the resolution adopted by Borough Council under date of November 22nd last.

. . . . . .

[fol. 364] Meeting of November 16, 1934

. . . . . .

4. Certified copy of a resolution adopted under date of November 7th as more particularly detailed below was considered:

Whereas, First Mortgage Service Co., taxpayer of the Borough of Runnemede, tender bonds Nos. 1 and 2, of the Borough of Runnemede, being Temporary Improvement Bonds, dated November 1, 1926, due November 1, 1932, in-

terest rate 5½ per centum, in the denomination of On Thousand Dollars, with interest thereon due Novembe 1931, May 1932 and November 1932, evidenced by interes coupons attached to said bonds, as payment upon accoun of the municipal liens, taxes and assessments levied an assessed respectively as follows:

First Mortgage Service Co., municipal liens, taxes, and assessments against:

Block 61, Lot 16	Block 40, Lot 7
" 42, " 11	" 40, " 9
" 45, " 9	" 39, " 10
" 41, " 10	" 55, " 7
" 42, " 8	" 58, " 1
" 42, " 6	" 38, " 1b
" 38, " 1a	" 113, " 10
" 48, " 6	

For the purpose of taking credit therefor in the sum of Two Thousand Dollars, being the principal of the said bonds; and, further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said First Mortgage Service Co. said Bonds Nos. 1 and 2 of the Temporary Improvement Bonds of the Borough of Runnemede, dated November 1, 1926, due November 1, 1932, interest rate 5½ per centum, in the denomination of One Thousand Dollars each, a total of Two Thousand Dollars, to which bonds are attached interest coupons for November, 1931, May, 1932, and November 1932, on account of the principal of taxes [fol. 365] and municipal liens and assessments upon premises assessed in the name of First Mortgage Service Co., as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bonds and interest, in the amount of the principal of the bonds only.

to wit, Two Thousand Dollars ($2,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934, and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said Tax Collector, upon receipt of said bonds, shall deliver the same to the Borough Treasurer.

Statement of Taxes and Assessments Due on Properties of First Mortgage Service Co., in the Borough of Runnemede, Camden County, New Jersey

Description	1933 Taxes	Unpaid Bal. Sidewalk Assessment	1934 Taxes
Block 61, Lot 16	93.80	54.62	
" 40, " 7	115.08	43.69	
" 42, " 11	93.40	43.68	
" 40, " 9	112.28	43.68	
" 45, " 9	126.00	49.71	
" 39, " 10	115.08	38.24	
" 41, " 10	113.12	40.63	
" 55, " 7	93.80	54.62	
" 42, " 8	113.12	43.68	
" 58, " 1	110.88	191.20	
" 42, " 6	113.12	43.68	
" 38, " 1b		43.60	
" 38, " 1a		43.60	29.12
" 113, " 10		45.41	
" 48, " 6		33.20	
Totals	$1,199.68	813.24	29.12

Recapitulation

Total 1933 Taxes due as above	$1,199.68
" Unpaid sidewalk assessments	813.24
Amount due prior to Jan. 1, 1934	2,012.92
1934 Taxes on Block 38, Lot 1a	29.12
Interest on 1933 Taxes	114.49
" " Sidewalk assessments	78.89
Total amount due	$2,235.42

[fols. 366-368] The principal sum of taxes and assessments due prior to January 1st, 1934, is	$1,199.6
Representing 1933 Taxes, itemized above	
Unpaid balance on sidewalk assessments, itemized above	813.2
Total	$2,012.9
Amount to be paid by use of bonds	2,000.0
Total Amount Due and Method of Payment	
1933 Taxes	$1,199.6
Unpaid balance, sidewalk assessments	813.2
Interest on Taxes	114.4
" " Assessments	79.8
1934 Taxes, 4th Quarter on Block 38, Lot 1a	29.1
Total due	2,235.4
Payment by Borough of Runnemede, Temporary Improvement Bonds, Nos. 1 and 2, in denomination of $1,000 each, being part of an issue of $47,000, dated 11/1/26, due 11/1/32, rate 5½%, having Nov. 1931, May, 1932, and Nov. 1932, coupons attached	2,000.0
Balance to be paid in cash, on or before 11/15/34	$235.4

5. After a careful study of the items involved in the pre ceding schedules the following resolution was proposed:

6. Resolved that the Municipal Finance Commission giv its formal consent in writing to the resolution set fort above:

7. Be it Further Resolved that such assent and approva is granted with the proviso that the cash payments receive in satisfaction of the items set forth above be made withi fifteen days from the date of this meeting with the provis that the cash derived from taxes of 1933 and prior year be held in a reserve fund and said taxes after being de posited to be separately accounted for in said reserve fun

8. Be it Further Resolved that this approval is cond tional upon the Borough Council making payments to th

reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the property hereinabove named (and is further conditioned upon the fact that all 1934 taxes except those specified in the attached schedule have heretofore been paid).

9. On motion of Commissioner Backes, seconded by Commissioner Woolston the foregoing resolution was adopted by an unanimous vote.

[fol. 369] Meeting of October 26, 1934

* * * * * * *

3. Certified copy of a resolution adopted under date of October 24 as more particularly detailed below was considered:

Whereas, Camden Optional Building and Loan Association, and Harriett Haden, taxpayers of the Borough of Runnemede, tender bond No. 4, of the Borough of Runnemede, being temporary improvement bond, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, with interest thereon due September 1st, 1932, as payment upon account of the municipal liens, taxes and assessments levied and assessed respectively as follows:

Camden Optional Building and Loan Association: Municipal Liens, taxes and assessments against Lot No. 1, Block 16, Oakland Avenue, and Lot No. 16, Block 51, Second Avenue.

Harriet Haden, Municipal Liens, taxes and assessments against Lot No. 3, Block 63, S. E. cor. 3rd & Read Aves. (Lots 128 and 129, Runnemede Manor.)

For the purpose of taking credit therefor in the sum of One Thousand Dollars, being the principal of the said bond; and, further tender the payment of the balance of said taxes and municipal liens, together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and includ-

ing the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the tax collector of the Borough of Runnemede, be and he is hereby authorized and directed to accept from the said Camden Optional Building and Loan Association and Harriett Haden, Bond No. 4, of the Temporary Improvement Bonds of the Borough of Runnemede, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars, on which there is unpaid interest which fell due September 1st, 1932, on account of the payment of the principal of taxes and municipal liens and assessments upon premises assessed in the respective names of Camden Optional Building and Loan Association and Harriett Haden, as hereinabove set forth, which fell due prior to January 1st, 1934, and to give credit therefor, for said bond and interest, in the amount of the principal of the bond only to wit, one thousand dollars ($1,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934 and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within fifteen days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and [fol. 370] Be it Further Resolved that the said tax collector, upon receipt of said bond, shall deliver the same to the borough treasurer.

Statement of Taxes and Assessments Due on Property of Camden Optional Building and Loan Association

(a) Lot #1, Block 15.—Oakland Avenue, Unpaid Balance, Sidewalk Assessment	$299.20
1931 tax—2nd half	48.99
1932 tax	88.92
1933 tax	92.12
Amount due prior to Jan. 1, 1934	$529.23
1934 tax, in full	89.16
Interest to Nov. 1, 1934	128.58
Total	$746.97

(b) Lot #16, Block 51.—Second Avenue, Unpaid balance, sidewalk assessment	$49.72
1931 tax—2nd half	37.64
1932 tax	64.35
1933 tax	67.20
Amount due prior to Jan. 1, 1934	$218.91
1934 tax, in full	65.04
Interest to Nov. 1, 1934	41.07
Total	$325.02

Statement of Taxes and Assessments Due on Property of Harriett Haden, Lot #3, Block 63, S. E. Cor. 3rd & Read Aves. (Lots 128 and 129, Runnemede Manor.)

Unpaid balance, sidewalk assessment	$334.63
1933 tax	99.40
Amount due prior to Jan. 1, 1934	$434.03
1934 tax, in full	96.20
Interest to Nov. 1, 1934	117.43
	647.66
Received a/c, by tax installments	72.66
Total Balance Due	$575.00

[fol. 371] The principal sum of taxes and assessments due prior to January 1, 1934, is:

Camden Optional B. & L. Assn., Lot #1, Block 15	$529.23
" " " " " " " #16 " 51	218.91
Harriett Haden, Lot #3, Block 63	434.03
	$1,182.17
Amount to be paid by use of bond	1,000.00

Total Amount of Taxes, Assessments, and Interest Due

Lot #1, Block 15, as above	$746.97
Lot #16, Block 51, as above	325.02
Lot #3, Block 63, as above	575.00
	$1,646.99
Payment by Borough of Runnemede, Temporary Improvement Bond #4, dated 9/1/26, due 9/1/32, rate 5¼%, denomination $1,000	1,000.00
Balance to be paid in cash on or before November 1st, 1934	$646.99

4. After a careful study of the items involved in the preceding schedules the following resolution was proposed:

5. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above:

6. Be it Further Resolved that such assent and approval is granted with the proviso that the cash payments received in satisfaction of the items set forth above be made on or before November 1, 1934 with the proviso that the cash derived from taxes of 1933 and prior years be held in a reserve fund and said taxes after being deposited to be separately accounted for in said reserve fund.

7. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the property hereinabove named.

8. On motion of Commissioner Backes, seconded by Commissioner Martin the foregoing resolution was adopted by an unanimous vote.

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[fol. 372] Meeting of October 19, 1934

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5. Certified copy of a resolution adopted by the Borough Council of the Borough of Runnemede under date of September 20 as more particularly detailed below was considered.

Whereas, heretofore certain taxes and assessments were confirmed and levied by the Borough Council of the Borough of Runnemede in the County of Camden, New Jersey, covering lands of Samuel J. Rowand, now deceased, in what is known as the Shisler tract, and more particularly described as follows:

All that certain tract or piece of land in the Borough of Runnemede, County of Camden and State of New Jersey more particularly described as follows:

Beginning at an old stone in the centre of the Evesham Road, said stone being corner to formerly Halyburton

Realty Company's land and Samuel J. Rowand's land; thence (1) along the centre line of the Evesham Road North seventy-seven degrees thirty-one minutes east six hundred eleven and sixty-one-one hundredths feet to a point corner in same, corner to said Samuel J. Rowand and Dermont's lands; thence (2) along said Dermont's land North thirteen degrees thirty minutes west one hundred fifty-four and sixty-seven one-hundredths feet to an old stone corner to Rowand and Dermont: thence (3) along said Dermont and Rowand North seventy-five degrees fourteen minutes east two hundred seventy-six feet to an old stone corner to Rowand and Dermont; thence (4) still along the same South thirteen degrees thirty minutes East one hundred fifty-five and eighty-nine one hundredths feet to a point in the centre of Evesham Road; thence (5) along the centre of Evesham Road North seventy-seven degrees thirty-one minutes east nine hundred seventy-nine and twenty-five one-hundredths feet to the Westerly right of way line of the Camden County Railroad; thence (6) along said right of way line North thirteen degrees forty-one minutes west one thousand one hundred eighty-one and seventy-six one-hundredths feet to a point corner to said Rowand, Camden County Railroad and formerly Halyburton Realty Company's land; thence (7) along said (formerly) Halyburton Realty Company's land; South forty-four degrees fifty minutes west two thousand one hundred ninety and sixty-seven one-hundredths feet to the place of beginning.

Containing twenty-four and five one-hundredths acres of land, excepting thereout and therefrom the following lands:

No. 1. Lots 1 to 56 inclusive in Section C, on plan of L. P. Croxton, on January 29, 1926, known as Runnemede Terrace.

No. 2. Lots 1 to 39 inclusive in Section E, on said plan.

[fol. 373] No. 3. Lots Nos. 9 and 10, in Section D, on said plan.

No. 4. Lots Nos. 15, 16, 17 and 18 in Section B, on said plan.

No. 5. Lots Nos. 16, 17, 18, 19 and 20 in Section K, on said plan.

No. 6. Lots Nos. 5, 6, 13 and 14 in Section J, on said plan.

No. 7. Lots Nos. 4 to 28 inclusive, Section "H" on said plan.

No. 8. Lots Nos. 42, 43, 44 and 54-D, as shown on said plan.

And Whereas, Gertrude J. Rowand, Elva Thorn, Harris F. Thorn, Earl E. Rowand and Mary Rowand, the heirs of Samuel J. Rowand, deceased, and holders of title to the premises in question, have presented a deed to the Borough of Runnemede for the lands above described; and

Whereas, by reason of the acceptance of said deed the Borough of Runnemede is willing to cancel of record all taxes and municipal liens outstanding against said described lands:

Now, Therefore, be it Resolved by the Borough Council of the Borough of Runnemede, in the County of Camden and State of New Jersey, that the deed from Gertrude J. Rowand, Elva Thorn, Harris F. Thorn, Earl E. Rowand and Mary Rowand, heirs of Samuel J. Rowand, to the Borough of Runnemede, conveying the premises described in the preambles hereof, be and the same is hereby accepted; and

Be it Further Resolved that by reason of the acceptance of said deed the Collector of Taxes of the Borough of Runnemede be and he is hereby instructed and authorized to cancel of record on his books all municipal liens, taxes and assessments now appearing on his books against the lands included in said deed.

6. The following resolution was duly made and adopted by an unanimous vote: Resolved that the consent of the Municipal Finance Commission be given to the resolution adopted by the governing body of the Borough of Runnemede as more particularly detailed above which resolution provides for the acceptance of a parcel of land by the borough containing 24.05 acres situated in said borough and in the ownership of Gertrude Rowand, et als., providing the governing body has first satisfied itself before accepting said deed that the title to said premises is free and clear of all liens other than the taxes due on said land.

7. Collector Spencer filed with this commission a detailed statement showing the amount of taxes involved in the

transaction covered by the aforementioned resolution together with the layout of this particular tract. It was directed that this statement be filed as a part of the official records of this commission.

8. Certified copy of a resolution adopted by the Borough Council of the Borough of Runnemede under date of September 20 with respect to the authority of the borough collector to omit lands from the tax sales where such properties are subject to installment payments was duly noted. Attention was directed to the fact that wherever payments are being made in accordance with present statutes, such lands are permitted to be left out of any tax sale. However where any installments are in default there is no excuse for withdrawing such properties from the sale.

9. Communication from Collector Spencer accompanied by letter from the Camden National Bank and Trust Company re. property of Albert W. Wiedemann was carefully considered. It was the opinion of this commission that the collector might safely leave this property out of the tax sale if the bank will purchase a current tax anticipation note so that the money will be in the hands of the borough with the agreement that the note will apply to the taxes on the property. This in the opinion of the Commission was a fair and expedient method of handling the transaction in question.

[fol. 374] 10. Chairman Darby stated that the matter of the Runnemede Theatre had been discussed with him by the Borough Solicitor and there now appears to be possibility of leasing the theatre for a period of years. It was the opinion of the Commission that the lease should run for a period not to exceed five years and that the borough might well execute a lease if one could be secured on satisfactory terms. Chairman Darby reported that it seemed reasonably possible that some arrangements might be made to have this property produce a fair revenue.

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[fol. 375] Meeting of September 21, 1934

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4. Auditor Gary reported that some progress is being made in this borough inasmuch as another bond held by the

State had recently been cancelled from tax title moneys held in the trust account. The State being willing to cooperate along these lines, as and when funds are accumulated, bonds will be taken up.

5. The Runnemede situation appears to be promising and full cooperation is being accorded this Commission by all officials. This municipality should have a formal plan of refinancing prepared as soon as the work of this commission will permit, inasmuch as it appears that it would be possible to refinance without undue difficulty or delay and thus place the borough on a normal operating basis again.

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[fol. 376] Meeting of September 7, 1934

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[fol. 377] 7. Borough Clerk Gaunt submitted a letter reporting in detail with respect to the installation of a storm sewer under the railroad. He explains in his letter that this was not considered in connection with the 1934 budget because of excessive costs, but that the Borough engineer has now prepared a plan at an estimated cost of about $1,000.00. This cost is to be split three ways, the borough assuming one-third. He further advises that the negotiations may not be completed before the close of the present fiscal year.

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9. Certified copy of the following resolution of the Borough Council was filed with this Commission:

Whereas, the auditor of the Municipal Finance Commission of the State of New Jersey has requested this body to authorize the borough treasurer, and such other officials whose consent may be necessary, to give to the First National Bank of Blackwood, Blackwood, New Jersey, the thirty day notice required by the Federal laws for the withdrawal of savings fund accounts, the trust funds of the Borough of Runnemede being the payments made by property owners of the Borough on account of the principal of assessment liens and deposited in a savings account in said bank:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Borough Treasurer, and such other officers of the Borough of Runnemede as may be required so to do, be and they are hereby instructed and authorized to execute a notice to the First National Bank of Blackwood, Blackwood, New Jersey, in accordance with the laws of the United States of America, notifying said bank that the funds of the Borough of Runnemede now on deposit in said bank in a trust savings account numbered 4431, are to be withdrawn thirty days after the giving of such notice, the balance in said account as of August 31st, 1934, being the sum of $36,950.13, and said notice shall apply to all funds on deposit in said account as of the date of the giving of said notice and in addition thereto to any and all funds that may be deposited in said account from the date of the giving of the said notice until the date of the withdrawal thereof.

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II. There was submitted certified copy of a resolution adopted by the Borough Council on September 6, 1934 as more particularly detailed below:

Whereas, Lenora S. Snape, a taxpayer of the Borough of Runnemede, tenders bonds Nos. 1, 2 and 3, of the temporary improvement bonds of the borough of Runnemede, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, which bonds matured September 1st, 1932, with interest thereon due September 1st, 1932, respectively, as payment upon account of the municipal liens, taxes and assessments in the name of Lenora S. Snape, levied and assessed against Block 29, lots 2 and 4, Borough of Runnemede, which said taxes and municipal liens fell due prior to January 1st, 1934; for the purpose of taking credit therefor in the sum of Three Thousand Dollars, being the principal of the said bonds; and, further tenders the payment of the balance of said taxes and municipal liens together with all taxes and municipal liens subsequent to January 1st, 1934, and up to and including the taxes assessed for the year 1934, in full, with interest upon all delinquent taxes and assessments, in cash:

Now, Therefore, be it Resolved by the Mayor and Borough Council of the Borough of Runnemede, in the County of Camden, New Jersey, that the Tax Collector of the Borough of Runnemede be and he is hereby authorized and directed to accept from the said Lenora S. Snape, Bonds Nos. 1, 2 and 3 of the temporary improvement bonds of the Borough of Runnemede, dated September 1st, 1926, due September 1st, 1932, interest rate 5¼ per centum, in the denomination of One Thousand Dollars each, on which there is unpaid interest which fell due September 1st, 1932, on account of the payment of the principal of taxes and municipal liens upon premises assessed in the name of Lenora S. Snape and consisting of two lots of land, being Block 29, lots 2 and 4, Borough of Runnemede, which fell due prior to January 1st, 1934, and to give credit therefor, [fol. 378] for said bonds and interest, in the amount of the principal of the bonds only, to wit, Three Thousand Dollars ($3,000.00), provided that the balance of the said municipal liens and taxes, together with taxes and municipal liens subsequent to January 1st, 1934 and the interest upon all delinquent taxes and municipal liens, be paid in full in cash; and, provided further, that said payment shall be made within thirty days after the written assent of the Municipal Finance Commission to the adoption of this resolution shall have been received; and

Be it Further Resolved that the said tax collector, upon receipt of said bonds, shall deliver the same to the borough treasurer.

Statement of Taxes and Assessments Due on Property Block 29, Lots 2 and 4, Borough of Runnemede, N. J. Assessed in the Name of Lenora S. Snape

Unpaid Balance, sidewalk assessment	$1,212.50
Interest and costs to date of tax sale, Nov. 5, 1931	390.72
1928 Taxes	253.00
1929 Taxes	240.35
1930 Taxes	234.85
1931 Taxes	262.90
1932 Taxes	374.40
1933 Taxes	196.00
1934 Taxes; 3/4 due Feb. 1, May 1 and Aug. 1	210.25
	3,374.97

Less, Paid a/c, 10/20/33 (Applied to 1928 taxes)	$150.00	
2/19/34 (Applied to 1934, 1st quarter)	49.00	
5/17/34 (Applied to 1934, 2nd quarter)	49.00	
		248.00
		3,126.97
Interest from Date of Tax Sale, Nov. 5, 1931 to September 20, 1934		681.51
Total due		$3,808.48

The principal sum of taxes and assessments due prior to January 1st, 1934, is:

Principal, sidewalk assessment	$1,212.50
1928 Taxes, balance ($253.00 less payment of $150.00 on 10/20/33)	103.00
1929 Taxes	240.35
1930 Taxes	234.85
1931 Taxes	262.90
1932 Taxes	374.40
1933 Taxes	196.00
Interest and costs to date of tax sale, November 5, 1931	390.72
Total	$3,014.72
[fol. 379] Total amount of taxes, assessments and interest to be paid	$3,808.48
Amount of taxes and assessments, due prior to January 1, 1934, being paid by three past due temporary improvement bonds, numbered 1, 2 and 3, $1,000.00 each, dated 9/1/26, due 9/1/32, rate of 5¼%, par value $3,000.00 with unpaid interest due September 1, 1932	3,000.00
Balance to be paid in cash on or before September 20, 1934	$808.48

12. After a careful study of the items involved in the preceding schedule the following resolution was proposed:

13. Resolved that the Municipal Finance Commission give its formal consent in writing to the resolution set forth above:

14. Be it Further Resolved that such assent and approval is granted with the proviso that the cash payments received in satisfaction of the items set forth above be made prior to September 20th, 1934 with the proviso that the cash derived from taxes of 1933 and prior years be held in a reserve fund and said taxes after being deposited to be separately accounted for in said reserve fund.

15. Be it Further Resolved that this approval is conditional upon the Borough Council making payments to the reserve funds within forty-eight hours after the receipt of any of the moneys referred to in the above schedule and upon further condition that the payments referred to represent all of the municipal liens or other charges now due against the property hereinabove named.

16. On motion of Commissioner Woolston, seconded by Commissioner Darby the foregoing resolution was adopted by an unanimous vote.

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18. It was the opinion of the Commission that the borough is making real progress in the collection of delinquent taxes. There was some discussion regarding the pending tax sale and it was agreed that a further report would be filed with this Commission at its meeting of September 21st.

[fol. 380] 19. Foreclosures were discussed at some length and Mr. Rothermel reported what had been done along these lines. It appears that a considerable amount of work has been done along these lines although there are still properties subject to foreclosure. The matter of costs is a feature of prime importance in these foreclosures thus wholesale proceedings cannot be undertaken.

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[fol. 381] Meeting of July 13, 1934

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5. Letters from the New Jersey Water Company bearing date of July 2nd and July 5th accompanied by a copy of a contract between the New Jersey Water Company and the Borough of Runnemede with respect to supplying the Borough with water for fire purposes were duly considered. Inasmuch as the contract appeared to be in accordance with

the terms of the statute, it was the opinion of the Commission that the contract should be continued in accordance with its present terms.

6. Communication from James A. Lynch, Jr., State Counsel for the Home Owners' Loan Corporation was read by Chairman Darby. This communication requested the governing body to eliminate interest penalties and costs in those cases where the Home Owners' Loan Corporation is about to grant a mortgage. It was directed that Mr. Lynch be communicated with and advised that the procedure of the Municipal Finance Commission was to consider each property individually and act upon each item separately after action had been taken by the governing body with respect to such matters.

7. Letters from J. Frank Hanly, S. G. Dilley, James P. Darby, Horace F. Nixon and William W. Wittmer, protesting against the proposed tax sale in the Borough of Runnemede were read by the Chairman and considered by the Commission. It was directed that these communications be answered along general lines in accordance with existing conditions.

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10. At this point Mayor Sheppard, Councilman Boyd and Solicitor Rothermel appeared before the Commission. Mr. Boyd as spokesman for the delegation stated that there were many objections being raised to the proposed tax sale in the borough. There was considerable discussion with respect to the pending sale and it was agreed by the Municipal Finance Commission that no action would be insisted upon until September 7th at which time the Borough council would be expected to report just what had been done with respect to securing payments in one way or another on past due taxes which under normal conditions would be included in the sale. The Commission advised that at the September meeting it would expect information as to just what had been accomplished in the period intervening between this meeting and the next stated meeting. The borough was put on notice that it should be in a position to render a full report at that meeting following which the Municipal Finance Commission would again consider the necessity of holding a sale.

[fol. 382] 11. Councilman Boyd inquired with respect to the rules of the Commission in permitting the Borough to accept bonds in the payment of taxes. It was explained that the general rule of the Commission was that where bonds were accepted in payment of taxes the prior year and current year's taxes and interest should be paid in cash and that such approval would be given only in the case of past due borough obligations.

12. Mr. Gary reported that the Borough had reduced its total indebtedness from $11,000.00 by the use of certain pledged funds for the reduction of the indebtedness to which these funds were specifically pledged.

13. The matter of the assent of this Commission to an emergency note for the relief of a flood condition in the Borough was discussed and it was advised that detailed and specific information was now being assembled, after which the request would be formally laid before the Municipal Finance Commission.

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[fol. 383] Meeting of June 22, 1934

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4. Chairman Darby read a communication of Borough Clerk Gaunt bearing date of June 9th addressed to the Commission with respect to the necessity of placing new pipe under the railroad to prevent flooding a certain area of the Borough during heavy storms. Copy of a letter from the Borough Engineer addressed to the Mayor and Council was attached to Mr. Gaunt's communication and it appears that the Railroad and the State may assume two-thirds of the cost with the borough assuming one-third.

5. Mr. Gaunt's letter was placed before the Commission with the idea that it would be necessary to secure the assent of this Commission to an emergency appropriation. After some discussion it was directed that the Borough be advised to submit its proposal in more detailed form before any definite action would be taken on the part of this Commission. The general statement that the Railroad Company and the State would participate in a part of this cost is in the opinion of this Commission insufficient to warrant consideration

without some definite agreement on the part of the participants.

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[fol. 384] Meeting of June 8, 1934

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4. Auditor Gary reported that he had attended a meeting of the Borough Council of the Borough of Runnemede held last evening and that he was well pleased with the spirit of cooperation manifest on the part of everyone present. He reported that in his opinion the books and records are in excellent shape and in general conditions in this borough are above average.

5. He further reported that there was some discussion with respect to holding a tax sale and it appeared desirable for the collector to proceed with this sale as quickly as possible after July 1st. The following resolution was proposed by Mr. Backes and adopted by an unanimous vote: Resolved that in the opinion of this Commission the Collector of the Borough of Runnemede should forthwith hold a complete tax sale after July 1, 1934.

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[fol. 385] Meeting of May 25, 1934

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3. Mr. Gary reported that he had visited the Borough of Runnemede and had made a rather extensive survey of conditions. He reported that the records were in very good shape and that the tax collector seemed to be very much on the job; furthermore there seemed to be a spirit of cooperation evident on all sides.

4. Mr. Gary reported that in the short time at his disposal he had been successful in securing information with respect to operating expenses of the borough for past periods, detail of outstanding indebtedness and the holders thereof and in addition had secured a great deal of information with respect to delinquent taxes, tax title liens, etc. The major problem of the borough appears to be a large accumulation of assessment title liens and tax title liens, not due to the limited number of holders of borough obliga-

tions the problem of refinancing would not appear to be difficult. In general Mr. Gary's report was optimistic and the Commission expressed itself as well satisfied with the conditions in this municipality.

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[fol. 386] Meeting of May 18, 1934

1. At the conclusion of the special meeting of the Municipal Finance Commission acting in and for the Township of Delaware, Chairman Darby announced that by virtue of an order of Justice Frank T. Lloyd, dated May 14th, the Municipal Finance Commission "is hereby authorized and instructed to function in the said Borough of Runnemede". In accordance with Chapter 340, P. L. 1931 as amended; it being stated in said petition that the said borough "is not in a position to meet its obligations when due, in spite of the endeavors of its duly constituted officers.".

2. It was directed that the order be spread in full on these minutes.

NEW JERSEY SUPREME COURT, CAMDEN COUNTY

In the matter of the petition of THE BOROUGH OF RUNNEMEDE, for supervision of its affairs by the Municipal Finance Commission of the State of New Jersey, pursuant to the provisions of P. L. 1931, Chapter 340, as amended by P. L. 1933, Chapter 330.

On Petition, etc.

ORDER

This matter being opened to the Court by petition which was previously presented to this Court on behalf of the Borough of Runnemede on or about the 7th day of May, 1934, and a rule to show cause having been issued pursuant to the statutes, returnable on this day before the undersigned; and pursuant to the direction of the statute a summary investigation into the facts having been made, and it having been established to my satisfaction from the testimony, under oath, of Wilson A. Boyd, one of the members of the Borough Council of the Borough of Runnemede and Chairman of the Finance Committee of said Borough, that the Borough of Runnemede at the present time is in de-

fault on interest on Borough obligations, which is past due in the sum of $31,252.50; that there is principal of borough bonds past due and in default in the sum of $173,000; that the Borough of Runnemede owes a total of $20,414.30, covering 1932 and 1933 State and County Taxes, which at present are past due and unpaid; and that the Borough of Runnemede owes to the Board of Education of the Borough of Runnemede the sum of $60,256.39, representing the 1933 and 1934 school levy, which sum should have been collected with the 1933 taxes of the Borough of Runnemede and is past due, making a total of obligations past due of $284,-92319; and

It further appearing, from the testimony of Wilson A. Boyd, as aforesaid, that the Borough of Runnemede has on hand to meet said obligations the sum of $2,021.90 in its current account the sum of $2,054.20 in its delinquent tax account including cash and scrip; the sum of $10,587.46 in its tax title lien account; the sum of $44.55 in its dog trust account, said funds being held to meet dog damage claims and which are available only for that purpose; the sum of $275.00 in its coupon account, representing coupons on bonds, past due, which have not yet been surrendered, and the sum of $31,077.12 in its trust saving account, representing principal of sidewalk assessments collected by the Borough, applicable to the payment of principal of its assessment bonds now outstanding and in default, or a total of $46,060.23; and

It further appearing that the Borough of Runnemede has outstanding delinquent taxes up to and including the year 1933, due and unpaid, in the sum of $69,452.11, and in addition thereto holds tax title and assessment liens in the sum of $275,104.40, of which approximately sixty (60%) per centum represents liens against unimproved land; and

It further appearing, from the above testimony, that the Borough of Runnemede is not in a position to meet its obligations when due, in spite of the endeavors of its duly constituted officers, and the said Borough of Runnemede having therefore petitioned this Court to have the Municipal Finance Commission of the State of New Jersey function in said municipality;

It is, therefore, on this 14th day of May, 1934, ordered and decreed that the Borough of Runnemede, a municipal corporation in the County of Camden and State of New

Jersey, is unable to meet its obligations when due despite the endeavors of its properly constituted officers; and

[fol. 387] It is Further Ordered that by reason thereof, the Municipal Finance Commission of the State of New Jersey, pursuant to the statute, is hereby authorized and instructed to function in the said Borough of Runnemede, with all powers and duties conferred by the statute hereinabove referred to; and

It is Further Ordered that a copy of this order, together with the petition and rule to show cause upon which this order is based, shall be filed in the Office of the Clerk of the New Jersey Supreme Court; and

It is Further Ordered that a copy of this order, which need not be certified, be served upon the members of the Municipal Finance Commission of the State of New Jersey, within five days from the date hereof.

(Signed) Frank T. Lloyd, Justice, New Jersey Supreme Court.

Entered May 15, 1934.
On Motion of George D. Rothermel.
A true copy? Fred L. Bloodgood, Clerk.

3. Commissioner Darby thereupon announced that the organization of the Commission would now be in order, Commissioner Martin nominated Commissioner Walter R. Darby as Chairman; there being no further nominations, Commissioner Darby was declared Chairman of the Municipal Finance Commission acting for and in behalf of the Borough of Runnemede. The Commission thereupon proceeded to name G. C. Skillman as Secretary to the Municipal Finance Commission acting for and in behalf of the Borough of Runnemede.

4. It was regularly moved, seconded and carried that for the present Mr. Frank L. Gary be appointed auditor to the Municipal Finance Commission acting in and for the Borough of Runnemede.

5. Mr. George D. Rothermel appeared before the Commission as the duly appointed solicitor for the Borough of Runnemede. Mr. Rothermel filed a list of the Borough officials for the year 1934 which list was directed to be made part of the official records of this Commission. (Exhibit A)

6. Mr. Rothermel reported that the financial difficulties of the Borough of Runnemede are substantially as outlined

in the petition and order filed with this Commission and that the outstanding indebtedness is substantially held by three creditors.

7. The present difficulties of the Borough are largely brought about by the fact that tax collections have fallen below normal and assessments for benefits which are pledged to a major part of the outstanding indebtedness of the borough cannot be realized upon.

8. The cash position of the Borough as at May 12th indicated $46,060.23 distributed as between current, trust and capital. The collector-treasurer has been segregating his collections and making monthly payments to the county treasurer in order to satisfy so far as possible the liability of the borough to the county.

9. It was reported for the record that the 1933 report of audit was completed and filed and that Fred L. Meade, a registered accountant of this State has been acting as auditor for several years past and as such auditor is familiar with the financial difficulties of the borough.

10. The borough depository is the First National Bank of Blackwood and it was directed that the secretary notify said bank of the temporary appointment of Mr. Gary as auditor to this Commission. It was further directed that the officials of the borough be advised that under the statute the auditor to the Municipal Finance Commission shall approve all vouchers before said vouchers are passed for payment as to the sufficiency of appropriation to which such vouchers shall be charged and that said auditor shall also countersign all checks as to the sufficiency of cash with which to pay any claims approved for payment by the borough council.

11. Mr. Gary was directed to visit the Borough of Runnemede at the earliest possible date and in conjunction therewith review the physical characteristics of the municipality, interview officials, etc.

[fol. 388] 12. Discussion followed with respect to the matter of a definite policy being established by this Commission with regard to its relations with creditors and it was regularly moved, seconded and carried that the Statement of Policy as previously prepared and submitted for the consideration of the members of the Commission be adopted for the present and notice be given to the municipality.

Questions have arisen as to the status of the Municipal Finance Commission with respect to creditors and the relations of such creditors to the municipality in which the Commission is operating. These questions of policy have been brought about by the refusal of this Commission to make public lists of creditors of the municipalities in which the Commission operates. It is the opinion of the Municipal Finance Commission that the statute by indirection at least confers upon the Commission powers and responsibilities akin to those which might be vested in a Creditors' Committee. The function of the Commission is to conserve the assets of the municipality and at the same time protect the interests of the creditors. In order to do this it must first consider the taxpayers of the municipality for it is only through their cooperation that the municipality can function as a going concern and it must then consider the problems and rights of the creditors of the municipality. The Commission therefore feels that it is conserving rights of the creditors and the interests of the municipality itself by taking a position that formal creditors committees need not be formed in any municipality in which the Commission operates. The Commission has not and will not furnish creditors or groups of creditors with lists of outstanding obligations and the holders thereof except and unless certain groups of creditors designate some particular creditor as a representative of such group or groups.

Public hearings to determine the outstanding claims of all municipalities under the jurisdiction of the Commission must be held in every municipality in which the Commission operates, therefore, there is an opportunity for the creditors to meet one another, exchange views and make suggestions and recommendations to the Commission. If as a result of these public hearings, groups are formed representing certain holdings the Commission will recognize such group or groups, but the Commission is interested in seeing that both creditors and ta-payers receive protection at minimum expense. It therefore feels that as a matter of policy the formation of creditors committees for municipalities in which it operates should be discouraged at least until such time as all creditors have been heard.

[fol. 405a] SUPREME COURT OF THE UNITED STATES

[Title omitted]

STIPULATION AS TO TRANSCRIPT OF RECORD

It is Hereby Stipulated and Agreed by and among counsel to the parties to this proceeding that this stipulation may serve in lieu of a praecipe, and that the record shall consist of the following papers:

(1) Docket entries;
(2) Bill of complaint, with annexed affidavit of John B. Dawson, verified June 8, 1936, and exhibits A, B, C, D and E, attached thereto;
(3) Subpoena with returns of service;
(4) Order to show cause, dated June 29, 1936;
(5) Order of continuance, dated July 17, 1936;
(6) Answer of Borough officials;
(7) Answer of Municipal Finance Commission;
(8) Opinion, per Avis, J.
(9) Order substituting S. Lewis Davis, Esq., in place of Honorable Joseph Varbarlow, as counsel for Borough officials;
(10) Findings of fact and conclusions of law;
(11) Final decree;
(12) Petition for appeal;
(13) Assignment of errors;
(14) Statement of jurisdiction under Rule 12;
(15) Order allowing appeal;
[fol. 405b] (16) Notice of service of above papers, specially directing attention to the provisions of Rule 12(3), in compliance with Rule 12(2), as to filing a statement in opposition to jurisdiction;
(17) Citation on appeal, with admission of service attached;
(18) Order extending time to file praecipe, dated September 12, 1938;
(19) Order extending time to file praecipe, dated September 26, 1938;
(20) Order extending time to file record and docket case, dated September 26, 1938;
(21) Order extending time to file praecipe, dated October 1, 1938;

(22) Order extending time to file record and docket case, dated October 21, 1938;

(23) Stipulation of parties, dated —— —, 1936;

(24) Exhibits 1, 2, 3, 4, 5, 6, 7 and 12 attached to the said stipulation;

(25) Narrative statement of testimony, attached hereto;

(26) Exhibits P-1, P-2, D-1, D-2 and D-3, introduced into evidence;

(27) A portion of the testimony in a suit in equity in the United States District Court for the District of New Jersey, Barker v. North Bergen, E-5025 attached hereto;

(28) Narrative statement of the testimony, attached hereto, taken, and the exhibits introduced in a mandamus [fol. 405c] proceeding in the United States District Court for the District of New Jersey, United States ex rel. Sovereign Camp, Woodmen of the World v. Board of Education of Runnemede, L-5224;

(29) Narrative statement, attached hereto, of a portion of the testimony in a mandamus proceeding in the United States District Court for the District of New Jersey, United States ex rel. Norfolk & Western Rwy. v. Township of Chester, L-5013;

(30) Certain portions of the certified minutes of the New Jersey Municipal Finance Commission acting in and for the Borough of Runnemede, attached hereto, marked Exhibit 14;

(31) Certain financial records as to the twelve municipalities in which the New Jersey Municipal Finance Commission is functioning, together with similar statements as to the municipalities of Lakewood, Moonachie, Neptune City, West New York, and Woodbridge, marked Exhibits 16-a to 16-q;

(32) Certain statements of cash in current and trust accounts on hand and statements of certain liabilities of the seventeen above-named municipalities, marked Exhibits 17 and 18-a to 18-q inclusive;

(35) This stipulation.

It is hereby stipulated and agreed that the narrative statements of testimony referred to in items 25, 28 and 29 above fairly state the substance of said testimony, and that

[fols. 405d-411] any order of approval necessary to item 25 may be entered hereon.

October 20, 1938.

William A. Stevens, Solicitor for Appellants David T. Wilentz, et al. S. Lewis Davis, Solicitor for Appellants Earl Kircher, et al. Arthur T. Vanderbilt, Solicitor for Respondent.

[fols. 412-423] Orders extending time for transmitting record, etc., are omitted in printing.

[fol. 423a] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 424] SUPREME COURT OF THE UNITED STATES

STATEMENT OF POINTS TO BE RELIED ON—Filed November 3, 1938

Come now the appellants and adopt the following as their statement of the points to be relied upon, and represent that the whole of the record, as filed, is necessary for the consideration of the case, save and accept that only such portions of Exhibit 14, being the minutes of the Municipal Finance Commission of the State of New Jersey, acting in and for the Borough and School District of Runnemede, Camden County, New Jersey, is necessary for the consideration of the case, or need be printed, as is designated in a designation of portions of said Exhibit to be printed, dated October 27, 1938, and filed herewith:

[fol. 425] 1. The said Court erred in assuming jurisdiction of the suit.

2. The said Court erred in assuming jurisdiction of the suit, under Section 266 of the Judicial Code.

3. The said Court erred in ruling in effect that complainant properly grounded its bill's jurisdictional averments on Section 266 of the Judicial Code.

4. The said Court erred in ruling in effect that complainant was entitled to any relief, legal or equitable, under Section 266 of the Judicial Code.

5. The said Court erred in ruling in effect that complainant presented a proper cause of action, legal or equitable, for trial under Section 266 of the Judicial Code.

6. The said Court erred in permitting trial of the declaratory judgment action under Section 266 of the Judicial Code.

7. The said Court erred in granting any relief under Section 274-d of the Judicial Code.

8. The said Court erred in ruling in effect that complainant presented a proper cause of action, legal or equitable, for trial under Section 274-d of the Judicial Code.

9. The said Court erred in denying these defendants' motion to remit the suit for trial to a single judge of the United States District Court for the District of New Jersey.

10. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations — Count I of the bill of complaint.

11. The said Court erred in holding that the evidence in the case supported the demand for relief under Count I of the bill of complaint.

[fol. 426] 12. The said Court erred in not dismissing Count I of the bill of complaint.

13. The said Court erred in granting any of the prayer for relief under Count I of the said Bill of complaint.

14. The said Court erred in not dismissing Count II of the bill of complaint.

15. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations of Count III of the bill of complaint.

16. The said Court erred in holding that the evidence introduced supported the demand for relief under Count III of the bill of complaint.

17. The said Court erred in not dismissing Count III of the bill of complaint.

18. The said Court erred in granting any of the prayers for relief under Count III of the said bill of complaint.

19. The said Court erred in holding that any cause of action, legal or equitable, existed under the allegations of Count IV of the bill of complaint.

20. The said Court erred in holding that the evidence introduced supported the demand for relief under Count IV of the bill of complaint.

21. The said Court erred in not dismissing Count IV of the bill of complaint.

22. The said Court erred in granting any of the prayers for relief under Count IV of the bill of complaint.

23. The said Court erred in issuing any injunction or restraint against defendant Municipal Finance Commission, in answer to subdivision B of Count I of the bill of complaint.

24. The said Court erred in granting any relief in answer to subdivision B of the prayers of Count I of the bill of complaint.

[fol. 427] 25. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey, to the extent that such functioning may be inconsistent with the right of complain-t to enforce its execution in the manner stated in the Final Decree.

26. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from enforcing any stays contained in the Municipal Finance Commission Act insofar as the stays therein contained affect the right of complain-t to enforce its judgment.

27. The said Court erred in failing to rule that the plaintiff had an adequate remedy at law to overcome any unconstitutional stays contained in the Municipal Finance Commission Act.

28. The said Court erred in failing to rule that the stays contained in the Municipal Finance Commission Act were constitutional.

29. The said Court erred in ruling, in answer to subdivision D of the prayers of Count I of the bill of complaint, that Rev. St. New Jersey (1937), 52:27-1, 2, 3, 4, 9, 22, 23,

25, 26, 32.1, 33 (being Chapter 330, Laws of New Jersey, 1933) and 52:27-46 through 63, 65, 66 (being Chapters 195 and 258, Laws of New Jersey, 1935), as amended and supplemented, are unconstitutional and void.

30. The said Court erred in ruling, in answer to subdivision D of the prayers of Count I of the bill of complaint, that Rev. St. New Jersey (1937), 52:27-1, 2, 3, 4, 9, 22, 23, 25, 26, 32.1, 33 (being Chapter 330, Laws of New Jersey, 1933) and 52:27-46 through 63, 65, 66 (being Chapters 195 and 258, Laws of New Jersey, 1935), as amended and supplemented, are unconstitutional and void insofar as they [fol. 428] effect the right of the complainant to enforce its judgment obtained and entered in the United States District Court for the District of New Jersey.

31. The said Court erred in ruling, in answer to subdivision F of the prayers of Count I of the bill of complaint, that the enforcement of the complainant's judgment should be in accordance with the laws existing in the State of New Jersey at the time of the issuance and sale of the bonds in question.

32. The said Court erred in ruling, in answer to subdivision F of the prayers of Count I of the bill of complaint, that the enforcement of complainant's judgment should be in accordance with and under the provisions of Section 35 of the Execution Act (2 Comp. Stats., p. 2256) and Rev. St. New Jersey (1937), 2:26-85 (being Section 237 of the School Law (4 Comp. Stats., p. 4804).

33. The said Court erred in ruling that Section 35 of the Execution Act (2 Comp. Stats., p. 2256) and Rev. St. New Jersey (1937), 2:26-85 (being Section 237 of the School Law (4 Comp. Stats., p. 4804) were not repealed by the provisions of Rev. St. New Jersey (1937), 2:26-84, 54:4-42, 43, 44 (being the Tax Act of 1918, c. 236, s. 505).

34. The said Court erred in not denying sub-division D of the prayers under Count II of the bill of complaint completely and in their entirety.

35. The said Court erred in not denying sub-division E of the prayers of Count II of the bill of complaint completely and in their entirety.

36. The said Court erred in issuing any injunction or restraint against defendant Municipal Finance Commission

in answer to sub-divisions B, C, D, E, and F of the prayers of Count III of the bill of complaint.

[fol. 429] 37. The said Court erred in granting any relief in answer to sub-divisions B, C, D, E, and F of the prayers of Count III of the bill of complaint.

38. The said Court erred in ruling in effect that acceptance of bonds in settlement of taxes may materially interfere with the complainant in the enforcement of its judgment.

39. The said Court erred in enjoining and restraining defendant from making settlements for taxes due and owing to the Borough of Runnemede, New Jersey, by any medium "except in accordance with the laws of the State of New Jersey".

40. The said Court erred in enjoining and restraining defendants from accepting bonds in settlement of taxes.

41. The said Court erred in granting any relief in answer to sub-division B of the prayers of Count IV of the bill of complaint.

42. The said Court erred in ruling that Rev. St. New Jersey (1937) 52:27-32.1 and 33 (being Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933) and 52:27-33.2; and 52:27-46 through 63, 65, 66 (being Chapters 191, 195 and 258, Laws of New Jersey, 1935), all as amended and supplemented, are, as to school district bonds held by complainant issued prior to their enactment, as and when judgment may be entered thereon or on any portion thereof, in the United States District Court for the District of New Jersey, and execution issued, unconstitutional and void.

43. The said Court erred in ruling that Rev. St. New Jersey (1937) 52:27-32.1 and 33 (being Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933) and 52:27-33.2; and 52:27-46 through 63, 65, 66 (being Chapters 191, 195 and 258, Laws of New Jersey, 1935), all as amended and [fol. 430] supplemented, are, as to school district bonds held by complainant issued prior to their enactment as and when judgment may be entered thereon or on any portion thereof, in the United States District Court for the District of New Jersey, and execution issued, unconstitutional and void insofar as they affect the right of the complainant to enforce such a judgment.

44. The said Court erred in ruling that Rev. St. New Jersey (1937) 52:27-32.1 and 33 (being Sections 8 and 9 of Chapter 330, Laws of New Jersey, 1933) and 52:27-33.2; and 52:27-46 through 63, 65, 66 (being Chapters 191, 195 and 258, Laws of New Jersey, 1935), all as amended and supplemented, are, as to school district bonds held by complainant issued prior to their enactment, as and when judgment may be entered thereon, or on any portion thereof, in the United States District Court for the District of New Jersey, and execution issued, unconstitutional and void, as being contrary to Article I, Section 10, of the Constitution of the United States, which provides that no state shall pass any law impairing the obligation of contracts.

45. The said Court erred in granting any relief in answer to sub-divisions C and D of the prayers of Count IV of the bill of complaint.

46. The said Court erred in issuing any permanent injunction or restraint against defendant Municipal Finance Commission in answer to sub-divisions C and D of the prayers of Count IV of the bill of complaint.

47. The said Court erred in any wise permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey.

48. The said Court erred in permanently enjoining and restraining defendant Municipal Finance Commission from functioning in the Borough of Runnemede, New Jersey, to [fol. 431] the extent that such functioning "may be inconsistent with the right of the complainant to enforce in the manner herein stated executions to be issued in this Court upon judgments entered upon such school district bonds".

49. The said Court erred in ruling in effect in answer to subdivisions C and D of the prayers of Count IV of the bill of complaint that the stays contained in the Municipal Finance Commission Act affect the right of the complainant to enforce such a judgment.

50. The said Court erred in making said Final Decree granting said injunctions and restraints and in issuing said Final Decree, in that it failed to recognize the Laws of New Jersey, as a matter of comity.

51. The said Court erred in making said Final Decree granting said injunctions and restraints and in issuing said Final Decree, in that it abused its discretion as to the making of said Final Decree, and the issuing of said Final Decree, and made said Final Decree and issued said Final Decree arbitrarily and capriciously.

52. The said Court erred in failing to rule that the relators should be remitted to their remedies under the Municipal Finance Commission Act. i. e., Rev. St. New Jersey (1937), 52:27-1, 2, 3, 4, 9, 22, 23, 25, 26, 32.1, 33 (being Chapter 330, Laws of New Jersey, 1933), as amended and supplemented.

53. The said Court erred in granting an injunction under Section 266 of the Judicial Code against the acts of local municipal officers when there was no basis for an injunction against the acts of state officers.

54. The said Court erred in making said Final Order granting said Final Decree of injunction and restraint and in issuing said Final Decree, in that it failed to recognize as a matter of comity the Municipal Finance Commis-[fol. 432] sion Act, i. e., Rev. St. New Jersey (1937), 52:27-1, 2, 3, 4, 9, 22, 23, 25, 26, 32.1, 33 (being Chapter 330, Laws of New Jersey, 1933), as amended and supplemented.

55. The said Court erred in making said Final Order, granting said Final Decree of injunction and restraint, and in issuing said Final Decree, in that it failed to follow the laws of the State of New Jersey as required by United States Code, Section 727 and Rule 40 of the General Rules of the District Court of the United States, District of New Jersey, adopted January 1st, 1933, and effective as of that date.

56. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of discretion.

57. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of law.

58. The said Court erred in ruling that the complainant was entitled to a Final Decree of injunction and restraint as a matter of right.

59. The said Court erred in making the Final Decree in said suit, dated the 6th day of June, 1938.

60. The said Court erred in issuing the Final Decree in said suit, dated the 6th day of June, 1938.

61. The said Court erred in ruling in effect that the terms of the said Final Decree in said suit, dated the 6th day of June, 1938, are reasonable and just in the light of the evidence.

62. The said Court erred in failing to strike out all testimony relating to the question of relative values of bonds of New Jersey municipalities before and after 1932. Complainant's counsel on direct examination interrogated com- [fol. 433] plainant's witness Morris Mather as follows:

"Q. Prior to the year 1932 were you buying and recommending in New Jersey municipal bonds to your customers?
A. Yes, very actively.
Q. Are you doing so today?
A. No.
Q. Will you state why?

Thereupon solicitor for your petitioners moved to strike out the question and obtain a ruling against the line of testimony on the ground that there was no issue under the pleadings before the Court upon which the question of relative values of the bonds of New Jersey municipalities before and after 1932 would be relevant. This motion was based on the contention that there was no cause of action for a declaratory judgment stated against the Municipal Finance Commission. After hearing argument the court below ruled as follows:

"Judge Davis: Well, gentlemen, we are in doubt about the relevancy of this testimony and one good rule is that when in doubt admit it. If we later come to the conclusion that it is relevant and helpful we will disregard it. So we will admit the testimony and grant you an exception, Mr. Dimock."

63. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. Will you state why you are not now recommending New Jersey bonds to your customers?

A. Why, they won't buy them.

* * * * * * *

Mr. Dimock: I move to strike out the answer on the ground that it is hearsay.

Judge Davis: We will overrule your motion and grant you an exception."

[fol. 434] 64. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. Why would you not buy New Jersey bonds?

A. We have had occasions to submit the transcripts of proceedings to several of our clients for examination——

Mr. Dimock: May I have the same exception to this?

Judge Davis: Yes.

A. —and these clients invariably are subject to their attorneys approval of papers, and in the case of many of our large buyers they will not approve of them as an investment for our clients."

65. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

"Q. And has the marker for New Jersey bonds reflected the fact that larger buyers would no longer buy New Jersey municipal bonds?

Mr. Dimock: I object on the ground that it calls for a conclusion.

Judge Davis: Overruled. Exception granted.

A. The market, I would say particularly in the middle west, has been seriously affected because you cannot sell New Jersey bonds out there any more."

This motion was directed to testimony by complainant's witness Morris Mather then the president of complainant had advised him that complainant would refuse to purchase New

Jersey bonds as long as An Act concerning Municipal Finances was in existence.

66. The said Court erred in failing to strike out the answer of complainant's witness Morris Mather. On direct examination complainant's solicitor questioned the witness as follows:

[fol. 435] "Mr. Grossman: I move to strike out all of the testimony of this witness for the reason that his testimony is not directed to any effect upon bonds of the school district of Runnemede which are involved in this suit by reason of the provisions of the Municipal Finance Commission Act.

Judge Davis: Motion overruled.

Mr. Grossman: I ask for an exception.

Judge Davis: Yes, you may have an exception."

The said motion immediately followed testimony by complainant's witness Morris Mather that he and his firm had never dealt in any bonds of the Borough of School District of Runnemede, New Jersey.

67. The said Court erred in failing to strike out the answer of complainant's witness John E. Woodbridge. On direct examination complainant's solicitor questioned the witness as follows:

"Mr. Dimock: May I renew my motion to strike out all of this testimony on the ground there is no probative value on the issue on which it is offered?

Judge Avis: Motion overruled. You may have an exception."

The said motion immediately followed the testimony given by complainant's witness John E. Woodbridge that he had compared the prices of certain New Jersey municipal bonds with the prices of certain other municipal bonds in cities comparable only on a basis of population and debt per capita.

Wherefore, the defendants pray that the said Decree be reversed and the United States District Court for the District of New Jersey be directed to dismiss the bill, and for such other lawful relief as may be just and equitable in the premises.

The said Statement of Points to be relied on, presented herein, is identical with the assignment of errors hereto-

fore filed, save and except that there has been added to the [fol. 436] references of the Pamphlet Laws of New Jersey therein set forth, references to the new official Revised Statutes of the State of New Jersey (1937), because such new references are used in the statement of jurisdiction under Rule 12.

Dated: November 2nd, 1938.

E. J. Dimock, Solicitor for Appellants.

[fol. 437] SUPREME COURT OF THE UNITED STATES

DESIGNATION AS TO RECORD—Filed November 3, 1938

To the Clerk of the Supreme Court of the United States:

The appellants in the above appeal hereby designate the following portions to be printed of Exhibit 14, being the minutes of the Municipal Finance Commission of the State of New Jersey, acting in and for the Borough and School District of Runnemede, Camden County, New Jersey:

Date	Paragraphs
May 18, 1934	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
May 25, 1934	3, 4
June 8, 1934	4, 5
June 22, 1934	4, 5
July 13, 1934	5, 6, 7, 10, 11, 12, 13
September 7, 1934	7, 9, 11, 12, 13, 14, 15, 16, 18, 19
September 21, 1934	4, 5
October 19, 1934	5, 6, 7, 8, 9, 10
October 26, 1934	3, 4, 5, 6, 7, 8
November 16, 1934	4, 5, 6, 7, 8, 9,
December 14, 1934	5, 9, 10
December 21, 1934	5, 6
[fol. 438] January 11, 1935	6, 6a, 6b, 6c, 6d, 6e,
January 25, 1935	4, 4a, 4b, 4c, 4d, 4e, 5, 6, 6a, 6b, 6c, 6d
February 8, 1935	5, 5a, 6, 62,
March 1, 1935	7, 9, 10, 11, 11a
March 15, 1935	5, 5a
March 22, 1935	3, 3a, 4
April 12, 1935	5, 6, 6a, 6b, 7, 7a, 7b, 7c, 7d, 7e
April 26, 1935	5, 6, 6a, 6b, 6c, 6d, 6e

Date	Paragraphs
June 7, 1935	7, 8
July 12, 1935	3, 4, 9, 10, 10a
July 22, 1935	2, 2a
August 26, 1935	3, 3a, 3b, 3c, 3d, 3e
September 6, 1935	7, 12
October 4, 1935	6, 7, 7a, 7b, 7c, 7d, 7e, 7f
November 1, 1935	7, 8, 8a
December 6, 1935	7
December 13, 1935	4
January 3, 1936	6
January 17, 1936	5
January 22, 1936	1, 2, 3, 4, 5, 52, 6
January 31, 1936	6, 6a, 6b, 6c, 7, 7a, 7b, 7c, 7d, 7e, 7f
February 7, 1936	3, 3a, 3b, 3c, 3d, 3e,
February 14, 1936	4, 4a, 4b, 4c, 4d, 4e, 4f, 5
February 28, 1936	6, 8, 8a, 8b, 8c, 8d, 8e, 9, 10, 10a, 10b, 10c, 10d, 11
March 13, 1936	5, 6, 7
March 27, 1936	4, 4a, 4b
April 3, 1936	4
April 17, 1936	6, 7, 8
May 15, 1936	4, 7, 7a, 7b, 7c, 7d, 7e, 7f
May 29, 1936	5
June 12, 1936	4
[fols. 439-440] June 19, 1936	4, 5
July 2, 1936	6, 6a
July 10, 1936	4
July 17, 1936	4, 4a, 5, 5a, 6
September 4, 1936	9, 10, 10a, 12
September 11, 1936	6, 7a, 7b, 7c, 7d, 7e
September 18, 1936	5, 6, 8
September 25, 1936	2, 3
October 2, 1936	3, 3a, 3b, 3c, 3d, 3e, 3f, 3g, 4

October 27, 1938.

E. J. Dimock, Solicitor for Appellants, 49 Wall Street, New York City, N. Y.

[fol. 441] [File endorsement omitted.]

Endorsed on cover: Enter E. J. Dimock. File No. 42,933. New Jersey, D. C. U. S. Term No. 448. David T. Wilentz, J. H. Thayer Martin and Walter R. Darby, etc., et al., appellants, vs. Sovereign Camp, Woodmen of the World. Filed October 31, 1938. Term No. 448, O. T., 1938.

(9516)

Hardbridge

EXHIBITS 16-a to 16-q

16-a

	1930	1931	1932
School Debt as of June 30	1279000	1311000	1247000
Funded Debt	1089394	1079394	1049394
Due state & county	— 0 —	933076	1179504
Due local schools	1851889	1145046	3619437
Miscellaneous Payable			
	5554189	6069116	7687937
1930 Census	77276		
Per capita debt	71983	76158	76270
Assessed Valuation	19398562	19636204	18181371
Debt per dollar of assessed valuation	29%	34%	37%
Total Tax Levy	1166518	1183790	1189367
Tax rate per 100	1605	1664	1577
No of acres & lots	58684	59289	59614
Acreage tax bill			
Tax collections (current yr)	710794	638167	610392
% of levy			
Prior yrs			
Tax Title Lien collections	990198	1796761	3977114
Total collection of taxes	613374	863149	898401
	9555480	9907584	8790960
Tax Title Liens - Foreclosed or repaired			
Defaults: Principal		166000	187698
Interest			

a to 16-q

a

1931	1932	1933	1934	1935	1936	
311 000	1747 000	1747 000	1730 000	1777 000		
1979 379 45	1889 516 98	1904 630 99	1976 753 44	1753 441 41	*	
93 310 76	229 504 52	83 336 -	257 040 42	3050 [illegible]	309 510 24	
1745 047 76	361 914 37	436 560 86	360 870 52	[illegible]	281 565 14	
			510 017			
609 147 67	1687 935 87	1071 187 17	1689 750 52	1669 811 03		
8 194	6 270	6 715	7 031	11 594		
9636 [illegible]	1818 171	1799 100	1782 [illegible]	1991 [illegible]	1980 865 -	
24%	37%	39%	38%	32%		
1837 901	1189 320 67	1158 [illegible]	1351 350 80	1213 614 49	1 393 17 [illegible]	
(6.6)	(5.7)	(5.7)	(6.7)	(5.63)	(6.5)	
59 289	59 614	59 614	59 539	59 691	59 691	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Fort Lee

	1930	1931	1932
School debt as of June 30	$817,000	$787,000	$757,000
Funded Debt	$106,941	$131,941	$899,941
Due State & County	—0—	—0—	111,000
Due local schools	137,857.87	140,856.42	196,074.[illegible]
Miscellaneous Payable	$61,793.87	$59,797.42	$63,410.[illegible]
1930 Census per capita debt	$7.54		
	$77.90	$77.61	$61.[illegible]
Assessed Valuation	$12,779,707	$13,775,790	$12,313,15[illegible]
Debt per dollar of assessed valuation	4.1%	4.1%	3.[illegible]
Total Tax Levy	$755,335.44	$807,535.15	$857,15[illegible]
Tax rate per 100	(6.01)	(6.14)	[illegible]
No of accts & lots	9840	14115	13875
Average tax bill	76.76	57.21	61.[illegible]
Tax collections (current & prior)	$509,259.28	$568,607.15	$546,98[illegible]
	67%	63%	[illegible]
Tax Title Liens collected	168,221.65	229,236.21	168,[illegible]
Total collection of taxes	—0—	109,812.21	169,[illegible]
	$677,480.93	$738,945.36	$626,7[illegible]
Tax Title Liens Foreclosed or acquired			
Defaults Principal			
Interest			

1930	1931	1932	1933	1934	1935	1936 6 months
						*

Lunenburg

	1930	193
School Debt as of June 30	184645	176 0
Funded Debt	445877 37	445 3
Due state + county	— 0 —	70 6
Due local schools	75445	35 5
Miscellaneous Payable		
	630717 37	656 7
1930 Census	7436	
Per capita debt	7138	7
Assessed Valuation	10611777	7107 7
Debt per dollar of assessed valuation	319.	
Total Tax Levy	81105 94	100 6
Tax rate per 100 ÷	(4.71)	
No of acres & lots	6"03	6
Average tax bill	1314	
Tax collection (Current year)	71	37
(% of levy)	86%	
(Prior yrs)	7469 75	36
Tax Title Liens collected	1430	—
Total collection of taxes	62885 71	72
Tax Title Liens Foreclosed or acquired	— 0 —	—
Defaults: Principal		700
Interest		

1930	1931	1932	1933	1934	1935	1936 6 months				
						*				
						*				
						30801 79				
						8065105				

Boro Neptune City

	1930	19
School Debt as of June 30	13[illegible]000	13[illegible]0
Funded Debt	37[illegible]781	[illegible]
Due state & county	— 0 —	[illegible]
Due local schools	3[illegible]9	[illegible]
Miscellaneous Payable		
	$71 15500	63[illegible]
1930 Census	[illegible]718	
Per capita debt	[illegible]2035	[illegible]
Assessed Valuations	[illegible]6 [illegible]	1901
Debt per dollar of assessed valuation	3190	[illegible]
Total Tax Levy	85[illegible]93	10[illegible]10
Tax rate per 100	(5[illegible])	
No. of acres & lots	3[illegible]03.	3[illegible]0
Acreage tax bill	[illegible]7768	[illegible]
Tax collections (current year)	29[illegible]60.	50[illegible]
% of levy)	(56[illegible])	[illegible]
Prior years	[illegible]38780	[illegible]
Tax Title Lien collections	75049	[illegible]
Total collection of taxes	7[illegible]89	7[illegible]
Tax Title Liens - Foreclosed or acquired		
Defaulted Principal		
Interest		

d

30	1931	1932	1933	1934	1935	1936
000	135000	126000	120000	110000	104000	
1781	458073	3743598	10191973	10191973	3978063	*
0 —	119617	708096	1887	1832805	1713136	1531752
9119	1984719	3585500	3677750	1581450	1881750	
15500	6346359	5609839	5796795	5411737	5378469	
88						
12038	1807	1898	1551	1986	1828	
155	1901485	2036000	1961711	1956900	1975825	1901905
31%	32%	28%	44%	28%	28%	
1593	10230818	9596736	9505547	9280338	10067006	11294077
(5.71)	(5.16)	(4.71)	(4.71)	(4.77)	(5.21)	(5.93)
103	3203	3203	3203	3203	3218	3851
7768	31188	29600	29868	28597	31176	37961
0735	5055901	3682446	3430649	3959287	4276197	1577411
(18%)	(49%)	(38%)	(36%)	(43%)	(42%)	(14%)
8980	1755276	2816585	3164553	2483085	2796464	1728603
5149	270000	3901151	1528074	1895497	1659785	
9489	7438547	6957419	7873776	8830153	7982850	8807904
		498718	617923	1549193	1546723	1540000
						8967150

* Treasurer's Report

Asbury Park

	1930	1
Funded Debt	1180370	1703
Due state + county	—0—	79
Due local schools	1748764	5
Miscellaneous Payable		
	2976064	17378
1930 Census	14981	
Per capita debt	19907	
Assessed Valuation	36511113	3645
Debt per dollar of assessed valuation	33%	
Total Tax Levy	1813110	1744
Tax rate per 100 ÷	14931	
No of acres + lots	3911	3
Cockage tax bill	46351	
Tax collection (Current Year)	1001997	90
% of levy	(55%)	
Prior Yrs		
Tax Title Liens collected	578491	68
Total collection of taxes	179184	
	1550075	1592
Tax Title Liens Foreclosed or acquired		
Defaults: Principal	46870	43
Interest		
School Debt		

1930	1931	1932	1933	1934	1935	1936 9 months	
						*	
—	—	—	—	—	—	—	—
					—	—	—
					39435		
79607	82928	80905	81733	79948	77351		
33%	34%	34%	36%	36%	44%		
(16.31)	(15.75)	(15.87)	(15.97)	(15.36)	(16.00)	(5.79)	
3911	3915	3915	3935	3938	3964	3938	
39637	39777	39275	39700	39397	39674	38016	
(55%)	(52%)	(46%)	(45%)	(54%)	(31%)	(70%)	
78491	68080	57095	59302	70580	43159	18753	38
29184	39508	38994	19500	19851	14019	7714	26
107675	107588	96089	78802	90431	57178	26467	64
4870	35000	—	35437000	3576	10550	703	13699

* Figures unavailable.

Town

West New York

16-1

	1930	1931
Funded Debt	$386,303.—	$583,700.—
Due state & county		
Due local schools		
Miscellaneous Payable	173,650	177,975
	12,930.16	33,790
1930 Census	$7,883,444	$8,068,946
Per capita debt	37,107	
Assessed Valuation	1,501,850	1,564,492
Debt per dollar of assessed valuation	$5.24.6,773	$5.06.5.68
Total Tax Levy	1870.	1170.
Tax rate per $100	$5.62.2,2,2,2,2,561	2,706,5,2,2
No. of acres & lots	(496)	493
Average tax bill		
Tax collections Current Year	513.42	517.44
(% of Levy)		
Prior years	1677,19.5.98	1639 6.2.70.4
Tax Title Lien collectable	65%	(64%)
Total collection of taxes	666,9.4.58	770,128.77
	1,131.33	1650.77
	734.5.773.19	7.4.11.2.1.08.1
Tax Title Liens foreclosed or acquired		
Defaults: Principal		
Interest		

	1930	1931	1932	1933	1934	1935	1936

North Bergen

	1930	19
Funded Debt	19798690 79	18481
Due State & County	— 0 —	— 0 —
Due Local Schools	340100	337
Miscellaneous Payable		
	19638790 79	18151
1930 Census	40714	
Per capita debt	487 35	
Assessed Valuation	56951471	57790
Debt per dollar of assessed Valuation	34%	
Total tax levy	2864 17599	2185
Tax Rate per $100	5603	
No of acres & lots	8500	8
Average tax bill	3340	
Total collections (Current Year)	16758370	7170
% of Levy	(567)	
(Prior years)	2977763	707
Tax Title Liens collected	750969	16
Total collections of Taxes	20477725	7890
Tax Title Liens Foreclosed or acquired	— 0 —	—
Default Principal		
Interest		

g

c	1931	1932	1933	1934	1935	1936 6 months

Mt Ephraim

	1930	1931
School Debt as 7 June 30	8[illegible]000	80000
Funded Debt	1154[illegible]341	1177[illegible]369
Due state + county	—0—	—0—
Due local schools	17[illegible]869	70739
Miscellaneous Payable		
	[illegible]	[illegible]
1930 Census	7319	
Per capita debt	$1085	$1039
Assessed Valuation	[illegible]787807	[illegible]796887
Debt per dollar of assessed Valuation	(5.8%)	(5.4%)
Total Tax Levy	1[illegible]586	147[illegible]65
Tax rate per 100	(2.94)	(6.42)
No of acres + lots	3785	3809
Average tax bill	37.93	38.70
Tax collections (Current yr)	$[illegible]91303	$[illegible]706480
% of levy (Prior yrs)	(50%)	(39%)
	731[illegible]863	73036[illegible]98
Tax Title Liens Collections	478791	47794[illegible]
Total collection of taxes	33860[illegible]57	8[illegible]631[illegible]19
Tax Title Liens Foreclosed or acquired		
Defaults Principal		63.000
Interest		

1930	1931	1932	1933	1934	1935	1936 6 months	

	1930
School Debt as of June 30	43000
Funded Debt	690100
Due state + County	— 0 —
Due local schools	97750
Miscellaneous Payable	
	917350
1930 Census	7869
Per capita debt	158.70
Assessed Valuation	9931767
Debt per dollar of assessed valuation	12%
Total Tax Levy	546109.81
Tax rate per 100 -	(.480)
No. of acres + lots	
Acreage tax bill	695
Tax collections (Current yr)	476318.37
" " (No. of Levy)	50%
" " (Prior yrs)	143898.34
Tax Title Lien collections	27094
Total collection of taxes	518744.60
Tax Title Liens - Foreclosed or acquired	
Defaults: Principal	
Interest	

1930	1931	1932	1933	1934	1935	1936	
430,000	405,000	386,000	364,000	344,000	386,399.38		
690,100	634,350	[illegible]	[illegible]	[illegible]	562,044.43	*	
— 0 —	1,160,700	1,840,100	3,309,360	3,187,393.38	3,718,894.00	3528.00	
97,456	91,360	116,457.37	174,947.27	170,994.27	127,075.27	77,401.57	
217,356	1,451,180.01	1,449,792.71	1,379,532.88	1,307,911.39	1,447,308.12	*	
7869							
15470	15708	15882	19531	16672	18393		
931,762	999,389.77	958,777	890,174	913,530	884,773	839,973	
12%	13%	13%	15%	16%	16%		
584,109.81	577,411.55	470,705.75	465,987.89	480,396.19	437,773.10	461,269.67	
(4.80)	(4.76)	(4.38)	(4.61)	(4.17)	(4.95)	(5.49)	
					78,491	77,491	
695	665	607	593	619	557		
1,270,382.27	1,111,978.55	1,209,137.11	1,259,830.14	1,237,287.12	1,426,480.07	1189.00	
50%	50%	44%	34%	49%	33%	76%	
143,984.34	164,956.07	185,759.67	108,584.44	135,754.96	288,963.48	215,202.55	
437,494	110,980	77,188.67	153,634.82	78,693.57			
1,874,960.81	1,387,914.62	1,472,085.45	1,522,049.40	1,451,825.65	1,731,150	334,126.67	
				910,605	1,671,224.69	309,937	

* Figures Unavailable

Brigantine

	1930	19
Funded Debt	1609000.00	159
Due State & County	374103.67	447
Due local schools	16498.35	11
Miscellaneous payable		
	1999601.02	2053
1930 Census	357	
Per capita debt	$601.12	$5
Assessed Valuation	14,338,770	7778
Debt per dollar of assessed valuation	13%	
Total Tax Levy	362793.37	304
Tax rate per 100	(2.53)	
No. of acres & lots	8641	8
Coverage tax bill	41.71	
Tax collections (Current year)	97093.35	65
% of levy)	(25%)	
(Prior years)	6097.16	23
Tax Title Liens collected	1050.64	
Total collection of taxes	163577.77	112
Tax Title Liens Foreclosed or acquired		
Defaults: Principal		
Interest		

30	1931	1932	1933	1934	1935	1936	

Lodi (So Hackensack)

		1930	19
School debt as of	June 30	406647	340
Funded Debt		283719 80	297
Due State & County		13371 52	—
Due local schools		18551 71	40
Miscellaneous Payable		12762 73	4
		367721 73	361
1930 Census		17094	
Per capita debt		78.07	77
Assessed Valuation		10738453	77
Debt per dollar of assessed valuation		3.47	
Total Tax Levy		611988	56
Tax rate per 100		(5.67)	
No of acres & lots		7014	7
Garbage tax bill		3038	7
Tax collections (Current yr)		240026	223
% of levy		(39%)	13
(Prior years)		10553 92	19
Tax Title Liens collected		3924	11
Total collection of taxes		345956	38787
Tax Title Liens Foreclosed or pending			
Defaults General			
Interest			

	1931	1932	1933	1934	1935	1936

		19
School debt as of June 30		126
Funded Debt		75
Due State & county		—
Due local schools		75
Miscellaneous Payable		409
1930 Census		
Per capita debt		
Assessed Valuation		339
Debt per dollar of assessed Valuation		
Total Tax Levy		1
Tax rate per 100		
No. of acres & lots		
average tax bill		
Tax collections (Current yr)		1
% of Levy		
Prior yrs		1
Tax Title Liens collections		
Total collection of taxes		1
Tax Title Liens Foreclosed or acquired		
Defaults: Principal		
Interest		

1930	1931	1932	1933	1934	1935	1936	
124500	115500	111500	107500	103500	97500		
3757746	3150726	3276283	3197121	2899407	2782363	*	
—o—	—o—	76869	31563	—o—	—o—	—o—	
2366	2976	5186	6855	6017	5736	3101	
10943871	7955875	5128560	6236346	4551188	4865043	*	
7525	8740	9426	11461	8315	7878		
3928	3453	2671	3582	3577	3559	3592	
12%	14%	14%	17%	13%	12%		
2332867	1469965	1430613	1607432	1419213	1237770	1357826	
428	428	386	447	396	(354)	(378)	
13003	13185	13187	13191	13025	13605	13017	
3580	1114	1085	1219	1089	964		
2467060	1047716	887247	1350269	971650	895327	2056725	
(73%)	(71%)	(62%)	(67%)	(76%)	(71%)	(37%)	
1207613	1756613	1101068	1357380	1109897	1461056	795419	
2678992	1769103	1777211	1780685	1602574	1967470	1003917	
1855772	1711882	1119137	1789977	1568751	1379053	5756056	
		395098	759931	—o—	—o—	—o—	
						—o—	

* Figures unavailable

Lavallette

	1930	1931
School Debt as of June 30	$7000	$8500
Funded Debt	671500	583500
Due State & County	— 0 —	— 0 —
Due Local schools	5463.09	— 0 —
Miscellaneous Payable		34034.97
	673888.37	661690.00
1930 Census	787	
Per capita debt	$856.04	$841.94
Assessed Valuation	1787774	1306767
Debt per dollar of assessed valuation	37%	51%
Total tax levy	91704.42	83994.43
Tax rate per $100 -	(7.13)	(6.41)
No of acres & lots	1638	1805
Average tax bill	$55.98	$46.86
Total collections current (per cent of levy)	$65276.58	$65221.85
" " (Prior years)	(69%)	(78%)
Tax Title Liens collected	$1612.24	$5472.93
Total collections of Taxes	$307.07	$1513.36
	61991.17	64847.14
Tax Title Liens Foreclosed or acquired		
Defaults Principal		
Interest		

1930	1931	1932	1933	1934	1935	1936 6 months
47000	48500	45500	44000	42500	41000	39500
6716[illegible]78	5831[illegible]03	5646[illegible]73	5577[illegible]79	5479379	5246[illegible]58	505173[illegible]41
— o —	— o —	77857[illegible]3	46841[illegible]57	7799938	373230	—
[illegible]7[illegible]309	— o —	60[illegible]7[illegible]4	[illegible]07300	6[illegible]4863	[illegible]71383	698383
	3[illegible]03[illegible]97	3[illegible]03[illegible]97	3[illegible]03[illegible]97	3[illegible]03[illegible]97	3737884	28000
67388837	66869000	6799[illegible]197	68[illegible]74183	65337[illegible]7	61348153	57960724
787						
[illegible]3[illegible]804	[illegible]31948	[illegible]36618	[illegible]28934	[illegible]7657	[illegible]13757	
178[illegible]74	1306767	1366731	1336[illegible]30	129[illegible]051	170[illegible]416	1186546
52%	51%	50%	51%	51%	51%	
9170[illegible]42	8399[illegible]43	78[illegible]7189	97[illegible]9770	95[illegible]7081	76[illegible]3705	7045851
(7.13)	(6.41)	(5.74)	(6.85)	(7.46)	(6.37)	(5.93)
1638	1805	1717	1803	1809	1888	1888
[illegible]598	[illegible]686	64[illegible]2	[illegible]118	[illegible]791	[illegible]053	3732
[illegible]2[illegible]2[illegible]56	[illegible]4[illegible]2[illegible]85	3[illegible]4937[illegible]29	36[illegible]7[illegible]1	39[illegible]4366	3[illegible]62[illegible]491	1326[illegible]42
(59%)	(55%)	(42%)	(40%)	(41%)	(47%)	(17%)
[illegible]16[illegible]24	1[illegible]47[illegible]93	99[illegible]456	10832[illegible]8	13[illegible]4368	3[illegible]3235[illegible]0	770468
[illegible]30[illegible]07	[illegible]15136	188915	16607[illegible]	6[illegible]7[illegible]75	10003[illegible]4	1337533
6199117	6[illegible]87[illegible]14	[illegible]6781[illegible]0	49[illegible]73[illegible]53	[illegible]536[illegible]009	7795[illegible]195	34847[illegible]3
					3926637	4614078
			15[illegible]1640[illegible]7	36[illegible]78[illegible]5	[illegible]3[illegible]3[illegible]5047[illegible]0	17000 —

Monaghan

	1930	19
School debt as of June 30	32700	31
Funded Debt	138730	177
Due state & county	—	—
Due local schools	14103 75	14
Miscellaneous payable	337	
	187041 75	173
1930 Census		
Per capita debt	1465	
	127.67	11
Assessed Valuation	7663375	689
Debt per dollar of assessed valuation	2.4%	
Total Tax Levy	1731397	61
Tax rate per 100	6.77	
No. of alns & lots	7534	
Average tax bill	98.47	1
Tax collections (Current year)	2776571	37
" " (% of levy)	(45.2%)	(5
(Prior yrs)	178118.11	17
Tax Title Lien collections	43320	5
Total collection of taxes	2959661	55
Tax Title Liens - Foreclosed or acquired		
Defaults Principal		
Interest		

30	1931	1932	1933	1934	1935	1936	
00	31484	29600	28600	27600	26500		
3780	177992	177900	178740	177734	173485		
	— 6 —	— 0 —	— 0 —	— 0 —	— 0 —		
0375	14765	21187	23325	24009	26180	34[illegible]04	
327	327	327	327	327	327		
4787	173783	173657	191690	194347	196016		
67							
2767	11859	11856	13049	13266	13383		
75	68967	73870	74033	73700	80163 —	70703 —	
72%	75%	74%	76%	76%	74%		
5397	61[illegible]777	5[illegible]915	5[illegible]8618	56[illegible]777	53[illegible]587	47 35831	
677	801	677	675	697	1668)	(585)	
					5330	5330	
98[illegible]	1158	1036	1041	1054	1004		
5571	3[illegible]61147	3[illegible]6[illegible]0	1[illegible]81838	21[illegible]039	19[illegible]716	83[illegible]57	
52%)	(52%)	106%	(33%)	(37%)	(36%)		
1811	17456	11[illegible]17	11[illegible]38	17[illegible]55	14[illegible]	80648	
3327	5[illegible]9419	2[illegible]	6845[illegible]	4677[illegible]	7[illegible]7[illegible]		
5761	5[illegible]85[illegible]	39[illegible]16	31[illegible]83	43153[illegible]	27[illegible]65	16[illegible]5200	
						1098138[illegible]	
						[illegible]50[illegible]	

* Figures unavailable

Avalon

	1930	1931
Funded Debt	806 453	807 889 86
Due State & County	— 0 —	30 479 14
Due Local Schools	— 0 —	9 821 67
Miscellaneous Payable		
	806 453	847 810 67
1930 Census	3.43	
Per capita debt	235 06	247 175
Assessed Valuation	3705 726	3634 603
Debt per dollar of assessed Valuation	22%	23%
Total Tax Levy	187 505 33	177 630 50
Tax rate per $100 -	(5.18)	(4.89)
No of acres & lots	19078	19305
Acreage Tax Bill	1506	917
Total collections (Current yr)	88 474 71	78 591 24
(% of levy)	(47%)	(44%)
(Current year)	21 1766	26 698 13
Tax Title Liens collected	1498 52	8655 40
Total collection of taxes	124 584 89	113 944 78
Tax Title Liens Foreclosed or acquired		
Defaults Principal		
Interest		

1930	1931	1932	1933	1934	1935	1936 6 months	
106,743,43	8,07,489,86	71,498,46	71,760,801	74,673,395	73,133,702	*	
— 0 —	30,479,14	70,997,46	97,419,97	78,712,11	81,661,05	74,605,68	
— 0 —	98,17	1,70,00	1,80,000	1,50,000	1500-	0	
		1,78,77	1,38,010	1,25,286	20,900,1	*	
106,743,43	84,781,06	79,506,69	81,863,08	83,270,000	83,536,49		
3,43							
1,35,56	1,71,75	1,30,68	1,38,560	1,94,4	1,35,68		
70,526	36,34,603	36,89,553	31,59,786	30,52,721	38,90,791	1,52,190	
22%	23%	22%	25%	27%	28%		
187,505,33	77,03,50	19,67,00	19,01,276	18,06,37,30	18,41,179	19,18,35	
(5.18)	(6.87)	(5.31)	(6.01)	(5.91)	(6.38)	(7.03)	
19078	1930	1930	20000	20000	20000	20000	
1706	917	1007	959	903	922	982	
17,74,183	76,59,174	76,99,53	63,27,814	68,67,789	69,11,147	7,90,28,59	
(4.7)	(6.77)	(6.07)	(5.5)	(38%)	(38%)		
7,71,74,1.1	7,46,79,813	1,91,74,2	2,17,75,53	3,43,15,77	1,80,76,13	10,26,709	
12,98,52	86,55,07	6,98,433	1,03,383	9,72,868	13,39,501		
12,58,489	11,39,478	10,31,460	9,41,917	11,11,173	10,08,01,10	39,29,568	
				43,53,363	1,77,879		
				381,51,133	79,03,45,000	Estimated	
					96,55,28	66,475	

	1930	19
School debt as per June 30	$509,900	498,6
Funded Debt	3,327,201	3,279,2
Due State & County	—0—	5,7
Due local schools	651,500	773,5
Miscellaneous Payable		
	1917,26,501	1,949,8
1930 Census	57,34	
Per capita debt	33.36	3
Assessed Valuation	$57,993,887	$57,31,7
Debt per dollar of assessed valuation	3.3%	3
Total Tax Levy	760,900.66	760,0
Tax rate per 100. =	(1.31)	(1
No of acres & lots	4967	49
Garage tax bill	52,50	
Total collections (current yr)	1294,57,72	108,7
(% of levy)	(50%)	(4
(Prior years)		
Tax Title Liens Collected	59,63,611	6,1
Total collection of taxes	38,786	1,7
	1924,97,192	187,7
Tax Title Liens Foreclosed or acquired		
Defaults Principal		
Interest		

1930	1931	1932	1933	1934	1935	1936 6 months
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	1930	
School Debt as of June 30	701000	19
Funded Debt	642127577	31
Due State + County	—0—	
Due Local schools	33500	
Miscellaneous Payable		
	675630770	70
1930 Census	5117	
Per capita Debt	32746	
Assessed Valuation:	4017836	386
Debt per dollar of assessed Valuation	42%	
Total Tax Levy	37586	73
Tax rate per 100	(.13)	
No. of acres + lots.	4454	
Average tax bill	32746	
Total collections (Current yr.	9293	8
% of Levy)	24.7	
Prior years	81548	7
Tax Title Liens collected	15704	
Total collection of taxes	103205	17
Tax Title Liens Foreclosed or acquired		
Defaults Principal		
Interest		

930	1931	1932	1933	1934	1935	1936 6 months
1000	197500	196000	184500	174500	164500	
1275777	3815777	2541081	1977457	998 77477	871 77579	X
-0-	62218 01	98 84470	86 85134	70 84197	45 31033	36 31449
33500	57 41400	71 03900	64 77900	54 15400	51 06214	17 06214
			91 10[illegible]	3[illegible]	16 73387	
16307770	4078	1687	0877	8	49 80677	1306 49 53
1344	3221	1				
1117						
32746	33270	31661	26234	25534	21165	
1836	3869669	3607489	2698402	2111795	1704014	2027979 -
62%	62%	58%	55%	62%	58%	
1586	73622	72478	198752	180781	175089	173595 -
(5.13)	(5.86)	(7.02)	(7.36)	(8.46)	(8.37)	(8.56)
4254	4332	4332	4332	4320	4320	4320
5244	5350	5593	4507	4136	4054	4018
8953	8709	7496	5133	3697	3704	2794
20%	37%	31%	28%	35%	47%	25%
1548	77703	56023	59230	61331	67768	26519
4044	2424	1434	1592	1077	737	385
3105	17438	15663	17023	18477	18310	10788

1930

330 77577 1 1 1